

CITY OF NEW CUMBERLAND

**Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)**

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CITY OF NEW CUMBERLAND

**COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS,
SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND)**

BOND ORDINANCE

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BOND ORDINANCE

CITY OF NEW CUMBERLAND

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$280,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF NEW CUMBERLAND:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The City of New Cumberland (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State.

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of upgrading the existing disinfection system at the wastewater treatment plant, together with all appurtenant facilities (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of such costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Infrastructure Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than \$280,000 (the "Series 2004 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2004 A Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2004 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2004 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2004 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2004 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2004 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), dated October 27, 1994, issued in the original aggregate principal amount of \$647,121 (the "Series 1994 A Bonds"), and (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), dated October 27, 1994, issued in the original aggregate principal amount of \$498,666 (the "Series 1994 B Bonds") (collectively, the "Prior Bonds").

H. Prior to the issuance of the Series 2004 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2004 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

I. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2004 A Bonds and the Prior Bonds and to make payments into all funds and accounts and other payments provided for herein.

J. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2004 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of public convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2004 A Bonds or such final order will not be subject to appeal.

K. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more

of the Net Proceeds of the Series 2004 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefitting thereby reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 2004 A Bonds are to be issued.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2004 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2004 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2004 A Bonds, or any other agency, Issuer or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

"Authorized Officer" means the Mayor of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

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

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

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

"Bonds" means, collectively, the Series 2004 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Recorder" means the Recorder of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2004 A Bonds for all or a portion of the proceeds of the Series 2004 A Bonds from the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations.

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

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

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

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

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

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

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

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

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

"Grant" means all monies received by the Issuer on account of any grant.

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

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

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

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

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

"Loan Agreement" means the loan agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2004 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2004 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2004 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2004 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"1994 A Ordinance" means, collectively, the ordinance of the Issuer enacted October 3, 1994, as supplemented by the supplemental resolution of the Issuer adopted October 12, 1994, authorizing the issuance of and setting forth certain terms and provisions of the Series 1994 A Bonds.

"1994 B Ordinance" means, collectively, the ordinance of the Issuer enacted October 3, 1994, as supplemented by the supplemental resolution of the Issuer adopted October 12, 1994, authorizing the issuance of and setting forth certain terms and provisions of the Series 1994 B Bonds.

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

"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, fiscal agents, the Depository Bank, the Registrar and Paying Agent (all as hereinafter defined), 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, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2004 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1994 A Bonds and the Series 1994 B Bonds.

"Prior Ordinances" means the 1994 A Ordinance and the 1994 B Ordinance.

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

"Project" means the Project as described in Section 1.02B hereof.

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;
- (g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary

dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

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

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2004 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2004 A Bonds.

"Revenue Fund" means the Revenue Fund created by the Prior Ordinances and continued hereby.

"Series 1994 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer, dated October 27, 1994, issued in the original aggregate principal amount of \$647,121.

"Series 1994 B Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer, dated October 27, 1994, issued in the original aggregate principal amount of \$498,666.

"Series 2004 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Bond Legislation.

"Series 2004 A Bonds Construction Trust Fund" means the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2004 A Bonds Reserve Account" means the Series 2004 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2004 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2004 A Bonds in the then current or any succeeding year.

"Series 2004 A Bonds Sinking Fund" means the Series 2004 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2004 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2004 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2004 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2004 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means, collectively, the complete existing public combined waterworks and sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not more than \$410,000 in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2004 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Council and the Authority.

The cost of the Project is estimated not to exceed \$410,000, not more than \$280,000 of which will be obtained from proceeds of the Series 2004 A Bonds, and \$130,000 of which will be obtained from proceeds of a West Virginia Infrastructure and Jobs Development Council grant.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2004 A Bonds, if any, funding a reserve account for the Series 2004 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2004 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued the negotiable Series 2004 A Bonds of the Issuer. The Series 2004 A Bonds shall be issued as a single bond, designated as "Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund)," in the principal amount of not more than \$280,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2004 A Bonds remaining after funding of the Series 2004 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof, and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2004 A Bonds shall be issued in such principal amount; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2004 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2004 A Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2004 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2004 A Bonds. The Series 2004 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2004 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2004 A Bonds shall cease to be such officer of the Issuer before the Series 2004 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2004 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2004 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2004 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2004 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2004 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2004 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2004 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2004 A Bonds or transferring the registered Series 2004 A Bonds are exercised, all Series 2004 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2004 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2004 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2004 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2004 A Bonds or, in the case of any proposed redemption of Series 2004 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2004 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2004 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the System as herein provided. No Holder or Holders of the Series 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2004 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2004 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2004 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2004 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2004 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2004 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2004 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2004 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2004 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[FORM OF SERIES 2004 A BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF NEW CUMBERLAND
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BOND, SERIES 2004 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That the City of New Cumberland, a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____
DOLLARS

(\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

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 the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 200_.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the

"Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 200_, and a Supplemental Resolution duly adopted by the Issuer on _____, 200_ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 27, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$647,121 (THE "SERIES 1994 A BONDS") AND (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 27, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$498,666 (THE "SERIES 1994 B BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Prior Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2004 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, if any, except from said special fund provided from the Gross Revenues, the monies in the Series 2004 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds,

including the Prior Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF NEW CUMBERLAND has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 200__.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 200__.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2004 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule B" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the Council, a schedule, the form of which will be provided by the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank.

The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

- (1) Revenue Fund (established by the Prior Ordinances);
- (2) Renewal and Replacement Fund (established by the Prior Ordinances); and
- (3) Series 2004 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission.

The following special funds or accounts are hereby created with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

- (1) Series 2004 A Bonds Sinking Fund; and
- (2) Series 2004 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross

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

- (1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1994 A Bonds Sinking Fund, the amount required by the 1994 A Ordinance for payment of the interest on the Series 1994 A Bonds.
- (2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission (i) for deposit in the

Series 1994 A Bonds Sinking Fund, the amount required by the 1994 A Ordinance for payment of the principal of the Series 1994 A Bonds; (ii) for deposit in the Series 1994 B Bonds Sinking Fund, the amount required by the 1994 B Ordinance for payment of the principal of the Series 1994 B Bonds; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2004 A 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 2004 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission (i) for deposit in the Series 1994 A Bonds Reserve Account, the amount required by the 1994 A Ordinance to be deposited therein; (ii) for deposit in the Series 1994 B Bonds Reserve Account, the amount required by the 1994 B Ordinance to be deposited therein; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2004 A Bonds, if not fully funded upon issuance of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2004 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2004 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2004 A Bonds Reserve Requirement.

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

(5) The Issuer shall next, from the monies remaining in the Revenue Fund, on the first day of each month transfer to the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any

deficiencies in the Reserve Accounts (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2004 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 A Bonds, as the same shall become due. Monies in the Series 2004 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2004 A Bonds, as the same shall come due, when other monies in the Series 2004 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2004 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2004 A Bonds, if any, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2004 A Bonds Reserve Account which results in a reduction in the balance therein to below the Series 2004 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2004 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest, if any, on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2004 A Bonds Sinking Fund or the Series 2004 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2004 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2004 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2004 A Bonds under the conditions and restrictions set forth herein.

B. 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 the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by the Act, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the required interest, if any, principal and reserve payments with respect to the Series 2004 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2004 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2004 A Bonds, there shall first be deposited with the Commission in the Series 2004 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2004 A Bonds, there shall be deposited with the Commission in the Series 2004 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2004 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2004 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2004 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2004 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2004 A Bonds shall be expended as approved by the Council.

Section 6.02. Disbursements From the Series 2004 A Bond Construction Trust Fund. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2004 A Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

- (3) Each of such costs has been otherwise properly incurred; and
- (4) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2004 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2004 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loans to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2004 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2004 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2004 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2004 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2004 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2004 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2004 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted April 4, 1994, and the sewer rate ordinance of the Issuer enacted May 3, 2004, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2004 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2004 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer 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 and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Series 2004 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2004 A Bonds, immediately be remitted to the Commission for deposit in the Series 2004 A Bonds Sinking Fund, and, with the written permission of the Council and the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2004 A Bonds. Any balance remaining after the payment of the Series 2004 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine, upon consultation with the Consulting Engineers, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation

thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into such account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2004 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2004 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2004 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2004 A Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2004 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be

issued after the issuance of the Series 2004 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2004 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of extensions, additions, improvements or betterments to the System or refunding the Series 2004 A Bonds issued pursuant hereto, or both such purposes.

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

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

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

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent

Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from the Gross Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2004 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2004 A Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council 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 or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and

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

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

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

The Issuer shall file with the Authority and the Council, or any other original purchaser of the Series 2004 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2004 A Bonds, requesting the same, an annual report containing the following:

- (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.
- (C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by an Independent Certified Public Accountant in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of the Series 2004 A Bonds and shall submit said report to the Authority and the Council, or any other original purchaser of the Series 2004 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and

this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority and the Council, 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 Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2004 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the 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 the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the Series 2004 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2004 A Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 A Bonds,

including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her 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.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the Council by the 10th day of each month.

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

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the Council covering the supervision and inspection

of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority and the Council and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall employ qualified personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

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

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

shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2004 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR

COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

(4) FIDELITY BONDS will be provided as to every officer and employee of the Issuer having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

(5) FLOOD INSURANCE, if the System facilities are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(6) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the Council and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the sewerage facilities portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by

the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Bureau for 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 sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Bureau for Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewerage facilities portion 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 sewerage facilities portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

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

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the West Virginia Public Service Commission and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2004 A Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

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

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

Section 7.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2004 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest, if any, due on the Series 2004 A Bonds during the term thereof is, under the terms of the Series 2004 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2004 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest, if any, due on the Series 2004 A Bonds during the term thereof is, under the terms of the Series 2004 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2004 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2004 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or \$5,000,000 of the Net Proceeds of the Series 2004 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2004 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer shall file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2004 A Bonds and the interest, if any, thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so

that the interest, if any, on the Series 2004 A Bonds will be and remain excludable from gross income for federal income tax purposes, and shall not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2004 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2004 A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2004 A Bonds made available due to bid or construction or project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2004 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2004 A Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2004 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2004 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2004 A Bonds as a condition to issuance of the Series 2004 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to

time in effect and applicable to the Series 2004 A Bonds as may be necessary in order to maintain the status of the Series 2004 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2004 A Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2004 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2004 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2004 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 2004 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions relating to the Series 2004 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2004 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

(4) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest, if any, then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Holders of the Series 2004 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after

commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2004 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2004 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2004 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2004 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2004 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2004 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2004 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2004 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2004 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2004 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of

any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder, and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Hancock County Courier and Weirton Daily Times, newspapers published and of general circulation in the City of New Cumberland, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than 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 Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading: April 8, 2004

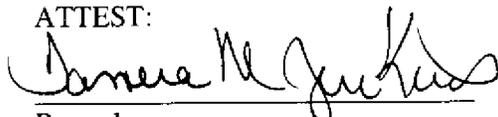
Passed on Second Reading: April 16, 2004

Passed on Final Reading
Following Public Hearing: May 3, 2004



Mayor

ATTEST:



Recorder

06/04/04
658300.00002

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of New Cumberland on the 3rd day of May, 2004.

Dated: June 18, 2004.

[SEAL]

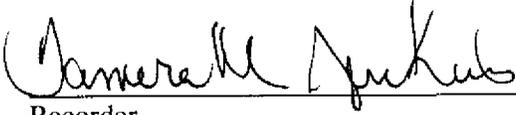

Recorder

EXHIBIT A

Loan Agreement is included in bond transcript as Document 3.

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE CITY OF NEW CUMBERLAND, APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the city council (the "Governing Body") of the City of New Cumberland (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective May 3, 2004 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$280,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA

INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds" or the "Series 2004 A Bonds"), in the aggregate principal amount not to exceed \$280,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2004 A Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price 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 Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be ratified and approved by the Issuer, that the exact principal amount, the date,

the maturity date, the redemption provision, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$238,600. The Series 2004 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2044, and shall bear no interest. The principal on the Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2005, and maturing June 1, 2044, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2004 A Bonds. The Series 2004 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2004 A Bonds.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby ratify, approve, and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

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

Section 6. The Issuer does hereby appoint and designate Hancock County Savings Bank, New Cumberland, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2004 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2004 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2004 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2004 A Bonds Reserve Account.

Section 9. The proceeds of the Series 2004 A Bonds shall be deposited in or credited to the Series 2004 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Issuer does hereby ratify and approve its contribution to the Project in the amount of \$12,100.

Section 11. 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 Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about June 18, 2004, to the Authority pursuant to the Loan Agreement.

Section 12. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 14. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer hereby approves payment of all invoices and bills for the Project which have been received to date from the proceeds of the Bonds.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 7th day of June, 2004.

A handwritten signature in cursive script, appearing to read "Arthur H. Watson". The signature is written in black ink and is positioned above a horizontal line.

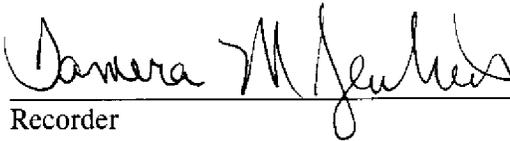
Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of New Cumberland on the 7th day of June, 2004.

Dated: June 18, 2004.

[SEAL]


Recorder

6/7/04
658300.00002

IC-1
(06/06/02)

LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the governmental agency designated below (the "Governmental Agency").

CITY OF NEW CUMBERLAND
(Governmental Agency)

WITNESSETH:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the acquisition or construction of projects by such governmental agencies, subject to such provisions and limitations as are contained in the Act;

WHEREAS, the Governmental Agency constitutes a governmental agency as defined by the Act;

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a project, as defined by the Act, and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and made all findings required by the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's loan program (the "Program") as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Governmental Agency and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "Council," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

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

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

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

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

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

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

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

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

1.10 "Project" means the project hereinabove referred to, to be constructed or being constructed by the Governmental Agency in whole or in part with the net proceeds of the Local Bonds.

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

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

ARTICLE II

The Project and the System

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

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

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

2.4 The Governmental Agency agrees that the Authority and the Council and their duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and the Council and their duly authorized agents

and representatives shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the pertinent provisions of the Act.

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

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

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

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

outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of this Loan Agreement.

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

(h) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and the Council shall have received a certificate of the accountant for the Governmental Agency,

or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority and the Council, to such effect; and

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

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

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

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans from the Infrastructure Fund to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Infrastructure

Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit or surety) in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

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

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

(b) Covenants substantially as follows:

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

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

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

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and the Council;

provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

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

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

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

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

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

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

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

(xiv) That the proceeds of the Local Bonds, advanced from time to time, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the

Governmental Agency and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Governmental Agency, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and the Council, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

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

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

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

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

(xix) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Bonds, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the State's general obligation bonds or any bonds secured by the Local Bonds;

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

Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

(xxii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

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

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

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the

Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

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

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

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

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

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the bonds which are the source of money used to purchase the Local Bonds, unless otherwise agreed to by the Council.

ARTICLE V

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

5.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that,

as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

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

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby warrants and represents that all information provided to the Authority and the Council 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 the Council 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 the Council by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act or this Loan Agreement.

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

6.3 Notwithstanding Section 6.2, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

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

6.5 The Governmental Agency hereby agrees to file with the Authority and the Council upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule B to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

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

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

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

7.4 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement

shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

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

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

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

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

7.9 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Governmental Agency specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.10 This Loan Agreement shall terminate upon the earlier of:

- (i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;
- (ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

CITY OF NEW CUMBERLAND

(SEAL)

By: *Robert G. Webster*

Its: Mayor

Date: June 18, 2004

Attest:

Donna M. Jenkins
Its: City Clerk

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: *Samuel B. Lyubosky*

Its: Director

Date: June 18, 2004

Attest:

Barbara B. Meadows
Its: Secretary-Treasurer

000832/00466
06/04/04

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

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

set forth in the Schedule B attached hereto as Exhibit A and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the [DEP/BPH/PSC] and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof, ²the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule B attached hereto and approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

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

[SEAL]

By: _____
West Virginia License No. _____

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

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

Ladies and Gentlemen:

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

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

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the

Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding special obligation of the Governmental Agency, enforceable in accordance with the terms thereof.

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

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

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Governmental Agency and constitute valid and binding obligations of the Governmental Agency, enforceable against the Governmental Agency in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

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

6. The Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____
 Name of Bond Issue(s) _____
 Type of Project _____ Water _____ Wastewater _____
 Fiscal Year _____ Report Month _____

<u>Item</u>	<u>Current Month</u>	<u>Total Year To Date</u>	<u>Budget Year To Date</u>	<u>Budget Year To Date Minus Total Year To Date</u>
1. Gross Revenues	_____	_____	_____	_____
2. Operating Expenses	_____	_____	_____	_____
3. Bond Payments:				
<u>Type of Issue</u>				
Clean Water SRF	_____	_____	_____	_____
Drinking Water TRF	_____	_____	_____	_____
Infrastructure Fund	_____	_____	_____	_____
Water Development Authority	_____	_____	_____	_____
Rural Utilities Service	_____	_____	_____	_____
Economic Development Administration	_____	_____	_____	_____
Other (Identify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
4. Renewal and Replacement Fund Deposits	_____	_____	_____	_____

 Name of Person Completing Form

 Address

 Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

The Governmental Agency must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$_____

Principal \$_____

Total: \$_____

Reserve Account: \$_____

Witness my signature this ____ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$238,600
Purchase Price of Local Bonds \$238,600

The Local Bonds shall bear no interest. Commencing June 1, 2005, principal of the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

1. Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), dated October 27, 1994, issued in the original principal amount of \$647,121.

2. Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), dated October 27, 1994, issued in the original principal amount of \$498,666.

\$238,600

City of New Cumberland

40 Years, 0% Interest Rate

Closing Date: June 18, 2004

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2004	-	-	-
12/01/2004	-	-	-
03/01/2005	-	-	-
06/01/2005	1,519.75	-	1,519.75
09/01/2005	1,519.75	-	1,519.75
12/01/2005	1,519.75	-	1,519.75
03/01/2006	1,519.75	-	1,519.75
06/01/2006	1,519.75	-	1,519.75
09/01/2006	1,519.75	-	1,519.75
12/01/2006	1,519.75	-	1,519.75
03/01/2007	1,519.75	-	1,519.75
06/01/2007	1,519.75	-	1,519.75
09/01/2007	1,519.75	-	1,519.75
12/01/2007	1,519.75	-	1,519.75
03/01/2008	1,519.75	-	1,519.75
06/01/2008	1,519.75	-	1,519.75
09/01/2008	1,519.75	-	1,519.75
12/01/2008	1,519.75	-	1,519.75
03/01/2009	1,519.75	-	1,519.75
06/01/2009	1,519.75	-	1,519.75
09/01/2009	1,519.75	-	1,519.75
12/01/2009	1,519.75	-	1,519.75
03/01/2010	1,519.75	-	1,519.75
06/01/2010	1,519.75	-	1,519.75
09/01/2010	1,519.75	-	1,519.75
12/01/2010	1,519.75	-	1,519.75
03/01/2011	1,519.75	-	1,519.75
06/01/2011	1,519.75	-	1,519.75
09/01/2011	1,519.75	-	1,519.75
12/01/2011	1,519.75	-	1,519.75
03/01/2012	1,519.75	-	1,519.75
06/01/2012	1,519.75	-	1,519.75
09/01/2012	1,519.75	-	1,519.75
12/01/2012	1,519.75	-	1,519.75
03/01/2013	1,519.75	-	1,519.75
06/01/2013	1,519.75	-	1,519.75
09/01/2013	1,519.75	-	1,519.75
12/01/2013	1,519.75	-	1,519.75
03/01/2014	1,519.75	-	1,519.75
06/01/2014	1,519.75	-	1,519.75
09/01/2014	1,519.75	-	1,519.75
12/01/2014	1,519.75	-	1,519.75
03/01/2015	1,519.75	-	1,519.75
06/01/2015	1,519.75	-	1,519.75

\$238,600

City of New Cumberland

40 Years, 0% Interest Rate

Closing Date: June 18, 2004

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2015	1,519.75	-	1,519.75
12/01/2015	1,519.75	-	1,519.75
03/01/2016	1,519.75	-	1,519.75
06/01/2016	1,519.75	-	1,519.75
09/01/2016	1,519.75	-	1,519.75
12/01/2016	1,519.75	-	1,519.75
03/01/2017	1,519.75	-	1,519.75
06/01/2017	1,519.75	-	1,519.75
09/01/2017	1,519.75	-	1,519.75
12/01/2017	1,519.75	-	1,519.75
03/01/2018	1,519.75	-	1,519.75
06/01/2018	1,519.75	-	1,519.75
09/01/2018	1,519.75	-	1,519.75
12/01/2018	1,519.75	-	1,519.75
03/01/2019	1,519.75	-	1,519.75
06/01/2019	1,519.75	-	1,519.75
09/01/2019	1,519.75	-	1,519.75
12/01/2019	1,519.75	-	1,519.75
03/01/2020	1,519.75	-	1,519.75
06/01/2020	1,519.75	-	1,519.75
09/01/2020	1,519.75	-	1,519.75
12/01/2020	1,519.75	-	1,519.75
03/01/2021	1,519.75	-	1,519.75
06/01/2021	1,519.75	-	1,519.75
09/01/2021	1,519.75	-	1,519.75
12/01/2021	1,519.75	-	1,519.75
03/01/2022	1,519.75	-	1,519.75
06/01/2022	1,519.75	-	1,519.75
09/01/2022	1,519.75	-	1,519.75
12/01/2022	1,519.75	-	1,519.75
03/01/2023	1,519.75	-	1,519.75
06/01/2023	1,519.75	-	1,519.75
09/01/2023	1,519.75	-	1,519.75
12/01/2023	1,519.75	-	1,519.75
03/01/2024	1,519.75	-	1,519.75
06/01/2024	1,519.75	-	1,519.75
09/01/2024	1,519.75	-	1,519.75
12/01/2024	1,519.75	-	1,519.75
03/01/2025	1,519.75	-	1,519.75
06/01/2025	1,519.75	-	1,519.75
09/01/2025	1,519.75	-	1,519.75
12/01/2025	1,519.74	-	1,519.74
03/01/2026	1,519.74	-	1,519.74
06/01/2026	1,519.74	-	1,519.74

\$238,600

City of New Cumberland
40 Years, 0% Interest Rate
Closing Date: June 18, 2004

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2026	1,519.74	-	1,519.74
12/01/2026	1,519.74	-	1,519.74
03/01/2027	1,519.74	-	1,519.74
06/01/2027	1,519.74	-	1,519.74
09/01/2027	1,519.74	-	1,519.74
12/01/2027	1,519.74	-	1,519.74
03/01/2028	1,519.74	-	1,519.74
06/01/2028	1,519.74	-	1,519.74
09/01/2028	1,519.74	-	1,519.74
12/01/2028	1,519.74	-	1,519.74
03/01/2029	1,519.74	-	1,519.74
06/01/2029	1,519.74	-	1,519.74
09/01/2029	1,519.74	-	1,519.74
12/01/2029	1,519.74	-	1,519.74
03/01/2030	1,519.74	-	1,519.74
06/01/2030	1,519.74	-	1,519.74
09/01/2030	1,519.74	-	1,519.74
12/01/2030	1,519.74	-	1,519.74
03/01/2031	1,519.74	-	1,519.74
06/01/2031	1,519.74	-	1,519.74
09/01/2031	1,519.74	-	1,519.74
12/01/2031	1,519.74	-	1,519.74
03/01/2032	1,519.74	-	1,519.74
06/01/2032	1,519.74	-	1,519.74
09/01/2032	1,519.74	-	1,519.74
12/01/2032	1,519.74	-	1,519.74
03/01/2033	1,519.74	-	1,519.74
06/01/2033	1,519.74	-	1,519.74
09/01/2033	1,519.74	-	1,519.74
12/01/2033	1,519.74	-	1,519.74
03/01/2034	1,519.74	-	1,519.74
06/01/2034	1,519.74	-	1,519.74
09/01/2034	1,519.74	-	1,519.74
12/01/2034	1,519.74	-	1,519.74
03/01/2035	1,519.74	-	1,519.74
06/01/2035	1,519.74	-	1,519.74
09/01/2035	1,519.74	-	1,519.74
12/01/2035	1,519.74	-	1,519.74
03/01/2036	1,519.74	-	1,519.74
06/01/2036	1,519.74	-	1,519.74
09/01/2036	1,519.74	-	1,519.74
12/01/2036	1,519.74	-	1,519.74
03/01/2037	1,519.74	-	1,519.74
06/01/2037	1,519.74	-	1,519.74

\$238,600

City of New Cumberland

40 Years, 0% Interest Rate

Closing Date: June 18, 2004

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
09/01/2037	1,519.74	-	1,519.74
12/01/2037	1,519.74	-	1,519.74
03/01/2038	1,519.74	-	1,519.74
06/01/2038	1,519.74	-	1,519.74
09/01/2038	1,519.74	-	1,519.74
12/01/2038	1,519.74	-	1,519.74
03/01/2039	1,519.74	-	1,519.74
06/01/2039	1,519.74	-	1,519.74
09/01/2039	1,519.74	-	1,519.74
12/01/2039	1,519.74	-	1,519.74
03/01/2040	1,519.74	-	1,519.74
06/01/2040	1,519.74	-	1,519.74
09/01/2040	1,519.74	-	1,519.74
12/01/2040	1,519.74	-	1,519.74
03/01/2041	1,519.74	-	1,519.74
06/01/2041	1,519.74	-	1,519.74
09/01/2041	1,519.74	-	1,519.74
12/01/2041	1,519.74	-	1,519.74
03/01/2042	1,519.74	-	1,519.74
06/01/2042	1,519.74	-	1,519.74
09/01/2042	1,519.74	-	1,519.74
12/01/2042	1,519.74	-	1,519.74
03/01/2043	1,519.74	-	1,519.74
06/01/2043	1,519.74	-	1,519.74
09/01/2043	1,519.74	-	1,519.74
12/01/2043	1,519.74	-	1,519.74
03/01/2044	1,519.74	-	1,519.74
06/01/2044	1,519.74	-	1,519.74
Total	\$238,600.00	-	\$238,600.00

Yield Statistics

Bond Year Dollars	\$4,882.01
Average Life	20.461 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.22E-10
Bond Yield for Arbitrage Purposes	1.22E-10
All Inclusive Cost (AIC)	1.22E-10

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.461 Years

SCHEDULE Z

None.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: April 20, 2004

CASE NO. 03-1423-S-CN

NEW CUMBERLAND SEWER DEPARTMENT,
a municipal utility, New Cumberland,
Hancock County.

Application for a certificate of convenience
and necessity to construct certain additions
and improvements to its wastewater treatment
system in Hancock County.

RECOMMENDED DECISION

On August 29, 2003, the New Cumberland Sewer Department (Utility) filed an application for a certificate of convenience and necessity to construct certain improvements to its wastewater treatment plant. The Utility's original filing indicated that the project would cost approximately \$260,000. The Utility believed that it could build the project without increasing its rates and charges. Among other things, the Utility requested a waiver of the Commission's Rule 42 filing requirements regarding financial information.

On August 29, 2003, the Commission ordered the Utility to publish a Notice of Filing. The Notice of Filing reflected the Utility's estimate of \$260,000 for project costs and reflected the Utility's opinion that it would not be required to increase its rates and charges.

On September 15, 2003, the Utility filed a publication affidavit indicating that it properly published the Notice in Hancock County.

On October 14, 2003, the Commission referred the matter. The current decision due date is May 25, 2004.

On October 21, 2003, Staff recommended that the request for a waiver of the Rule 42 filing information be denied. Staff believed that the Utility was experiencing a negative cash flow. Staff indicated that the Utility would probably need a rate increase in order for it to meet its required bond coverage of 115%. Staff recommended that the Utility immediately address its financial difficulties by proceeding with a rate ordinance.

On December 3, 2003, the Utility, once again, requested that Rule 42 be waived. The Utility indicated that it had some additional customers and that it made certain efforts at reducing its expenses and represented that it would soon have a positive cash flow.

On December 12, 2003, Staff, once again, requested that the Utility's request for a waiver be denied. Staff indicated that it needed the Rule 42 information in order to properly review the filing and to make an informed decision regarding future revenues and expenses of the Utility.

By Procedural Order issued December 15, 2003, the Utility's request to waive the Rule 42 filing information was denied. The Utility was ordered to file the information within twenty (20) days of the date of the Order. The Procedural Order warned the Utility that failure to meet the deadline would result in the dismissal of the application, given the existing statutory deadline.

On January 6, 2004, the Utility requested additional time to file its Rule 42 information.

On January 6, 2004, a Recommended Decision was entered dismissing the application for failure of the Utility to timely file its Rule 42 information.

On January 21, 2004, the Utility filed exceptions requesting an extension of time.

On January 26, 2004, the Utility moved to toll the statutory deadline by sixty (60) days.

On January 28, 2004, the Utility filed certain financial information pursuant to Rule 42.

By Commission Order entered January 30, 2004, the Utility's exceptions were granted. The statutory period was tolled and the proceeding was remanded to the Division of Administrative Law Judges with a new decision due date of May 25, 2004.

On March 9, 2004, Staff indicated that it still needed additional financial information from the Utility.

On March 10, 2004, the matter was set for hearing on April 22, 2004.

On April 7, 2004, the Utility filed revised Rule 42 information from its accountant.

On April 14, 2004, the Utility filed additional engineering information.

On April 19, 2004, Staff filed its final recommendation. Staff indicated that the project costs have increased from the original estimate of \$260,000 to \$368,600. Staff indicated that the West Virginia Department of Environmental Health Services (EHS) issued a permit approving the proposed construction. The West Virginia Department of Environmental Protection (DEP) issued a modification to the Utility's NPDES permit to permit construction of the project. The project upgrades the treatment facilities and will not add any additional customers. It provides for ultraviolet disinfection and its cost per customer is

approximately \$670. Staff estimated that annual operation and maintenance (O&M) expenses will be decreased by \$6,483 as a result of the project. The project is needed in order to meet the treatment requirements established by the DEP. Staff believes that the plans and specifications provided by the project are in general conformance with the Commission's rules and regulations.

The project will be funded by a grant from the West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) of \$130,000 and an Infrastructure Loan of \$238,600 over a term of 38 years and 0% interest. The Infrastructure Council will require a 10% debt reserve payment and a replacement and renewal reserve equal to 2.5% of operating revenue. The Infrastructure Council has submitted a binding commitment letter for the project.

Staff reported that, in order to fund the per books deficit and provide adequate cash flow surplus to support the project, the Utility is now proposing to increase its rates by 12.8%. The 12.8% rate increase will increase the 4,500 gallon customer bill from \$35.50 a month to \$40.05. The minimum bill for 1,000 gallons will go from \$7.89 to \$8.90. The rate increase will provide a cash flow surplus of \$8,900 and a debt service coverage of 119.91%. Although the Utility has begun its municipal ordinance process, the ordinance will not go to the third reading until May 3, 2004. The thirty-day protest period will begin after the last reading. Staff recommends approval of the certificate contingent upon the proposed rates being implemented. Assuming the rates are implemented, Staff indicated that the project was financially feasible and should be approved.

Staff recommended approval of the proposed financing.

On April 19, 2004, the Utility filed a document indicating that it had no objections to the Staff recommendations and requesting that the hearing on April 22, 2004, be cancelled.

DISCUSSION

The project at issue is an upgrade of the Utility's treatment process in order for it to meet the requirements of the DEP. There is no doubt that the treatment process of the Utility will have to be upgraded in order to meet the current environmental standards.

When the Utility first filed the certificate case, it believed that it would not have to increase its rates. It has become clear through the process that the Utility's rates will have to be increased 12.8% in order to support the project. The Utility's original Notice of Filing indicated that there would be no rate increase associated with the project and further indicated that the project would cost substantially less than the project as it now exists. Although it is unfortunate that the public notice was not accurate and that the project will result in a rate increase for the Utility's customers, those customers will receive sufficient public notice in the municipal ordinance process. The municipal ordinance process will allow the Utility's customers the opportunity to make comment on the rates and will allow a possible

hearing regarding the rates, if a sufficient number of customers files a protest triggering Commission jurisdiction. The notice for the proceeding should be deemed sufficient by the Commission given the necessity of the project and the way that the events unfolded in this particular proceeding.

A certificate of convenience and necessity should be granted contingent upon the Utility's rates being increased by 12.8%. The Utility should not begin construction of the project until its rate ordinance has been completed and its rates are actually increased by 12.8%.

FINDINGS OF FACT

1. The Utility is upgrading its treatment process in order to comply with the environmental laws and regulations of the State of West Virginia. (See Final Joint Staff Memorandum).

2. The upgrade involves the installation of a 1.5 million gallon per day low pressure high-intensity ultraviolet disinfection system at the existing Utility treatment plant. (See Id.).

3. Both the EHS and the DEP have issued appropriate permits for the project to proceed. (See Id.).

4. The project is estimated to cost \$368,600. (See Id.).

5. The project will not add additional customers, but will increase the effectiveness of the wastewater treatment for the City's existing 550 customers. (See Id.).

6. The cost per customer for the additional treatment is \$670. (See Id.).

7. The project will result in a decrease in annual O&M expenses by an estimated \$6,483, due to a decrease mainly in contract labor expenses. (See Id.).

8. Staff believes that the project is necessary given that the Utility must meet treatment standards established by the DEP. (See Id.).

9. The plans and specifications are in general conformance with the Commission's rules and regulations. (See Id.).

10. The project will be financed from the Infrastructure Council with a grant in the amount of \$130,000 and a loan in the amount of \$238,600, at 0% interest over 38 years. (See Id.).

11. The Utility is currently experiencing a cash flow deficit for year ending June 30, 2003. (See Id.).

12. The Utility will require a rate increase of 12.8% in order to support this project and be in conformance with its bond covenants. (See Id.).

13. The 4,500 gallon customer will experience a rate increase, if the 12.8% rate increase is adopted, from \$35.50 a month to \$40.05 a month. (See Id.).

14. The bill for the minimum 1,000 gallon customer will increase from \$7.89 to \$8.90. (See Id.).

15. The recommended 12.8% rate increase will provide a cash flow surplus of \$8,900 and a debt service coverage of 119.91%. (See Id.).

16. The Utility has initiated its rate ordinance process and its third reading will occur on May 3, 2004. The thirty-day protest period will begin after the last reading. (See Id.).

17. Staff recommended approval of the application for a certificate of convenience and necessity contingent upon the Utility's proposed rates and charges being actually implemented. (See Id.).

CONCLUSIONS OF LAW

1. Public convenience and necessity require the proposed project.
2. The proposed financing is reasonable and should be approved.
3. The application for a certificate of convenience and necessity should be approved contingent upon the Utility actually implementing a 12.8% rate increase.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the New Cumberland Sewer Department, on August 29, 2003, for a certificate to construct improvements to its wastewater treatment facilities be, and hereby is, granted contingent upon the Utility actually implementing a 12.8% rate increase. The Utility is hereby prohibited from starting construction of the project until its rate increase is actually implemented.

IT IS FURTHER ORDERED that the proposed financing of the project, consisting of an Infrastructure grant in the amount of \$130,000 and an Infrastructure loan in the amount of \$238,600, at 0% interest for 38 years, be, and hereby is, approved.

IT IS FURTHER ORDERED that the notice requirements of the Commission for this filing be, and hereby are, deemed to be in substantial compliance with the Commission's rules and regulations given the notice the customers will receive during the municipal rate ordinance process and any possible municipal appeal to the Commission.

IT IS FURTHER ORDERED that the New Cumberland Sewer Department file with the Commission a copy of the bids as soon as they are tabulated.

IT IS FURTHER ORDERED that the New Cumberland Sewer Department notify the Commission when its engineers perform the substantial completion inspection.

IT IS FURTHER ORDERED that, if there are any changes in the scope of the project or the financing, the New Cumberland Sewer Department be, and hereby is, required to seek the reopening of this petition and Commission review and approval before proceeding to construction.

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 within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served the exceptions.

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

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



Keith A. George
Administrative Law Judge

KAG:pst
031423ad.wpd

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 10th day of June, 2004.

CASE NO. 03-1423-S-CN

NEW CUMBERLAND SEWER DEPARTMENT,
a municipal utility, New Cumberland,
Hancock County.

Application for a certificate of convenience
and necessity to construct certain additions
and improvements to its wastewater treatment
system in Hancock County.

COMMISSION ORDER

The Commission adopts the Recommended Decision as modified herein.

BACKGROUND

On April 20, 2004, a Recommended Decision was issued in this case to grant the New Cumberland Sewer Department's (Utility) application for a certificate of convenience and necessity to construct certain improvements to its wastewater treatment plant. The approved project cost was \$368,600. The financing approved in the Recommended Decision consisted of a grant from the West Virginia Infrastructure and Jobs Development Council (Infrastructure) of \$130,000 and an Infrastructure loan of \$238,600 for a term of 38 years bearing 0% interest.

At the time the Recommended Decision was issued, the Utility had begun its municipal ordinance process to implement a Staff recommended 12.8% rate increase. However, the ordinance would not be presented for a third reading until May 3, 2004. Following adoption of the ordinance, there would be a thirty-day period during which time protests to the ordinance could be filed. The ALJ recommended approval of the certificate of convenience and necessity contingent upon the Utility implementing the 12.8% rate increase.

On May 4, 2004, Staff filed exceptions to the Recommended Decision. Staff stated that the appeal period for the Utility's rate ordinance would not expire until June 3, 2004,

and the Utility had been given an extension of its bid expiration date of May 21, 2004. Accordingly, Staff asked that final approval of the certificate be delayed until after June 3, 2004. Staff noted that this delay would allow the Utility to meet its bond closing scheduled for mid-June 2004.

On June 2, 2004, the Utility filed several documents indicating that the project cost and project financing had increased by \$12,100. The rise in cost was due to a price increase in the steel market. The Utility proposed to fund the increased project cost with a grant from the City of New Cumberland (City). The Utility provided a copy of the City's resolution authorizing the \$12,100 grant.

On June 8, 2004, Staff filed a Further Final Joint Staff Memorandum. Staff stated that the appeal period for the Utility's rate ordinance expired on June 3, 2004, and that no protests had been filed. Regarding the \$12,100 increased project cost, Staff indicated that the City's contribution of funds to cover the increased project costs would not have an effect on the project rates. Staff recommended approval of the certificate as soon as possible to meet the Utility's bond closing schedule.

DISCUSSION

As the appeal period for the Utility's rate ordinance expired on June 3, 2004, without an appeal being filed, the Utility has adequate rates in place to fund the operations included in the project. Additionally, the increased project cost is being funded by the City with no rate impact upon the Utility's customers.

Accordingly, The Commission concludes that it is appropriate to adopt the April 20, 2004, Recommended Decision with certain modifications. First, the Commission shall remove the contingency that the Utility must implement a 12.8% rate increase prior to construction as the increase is now in place. The Commission shall modify the Recommended Decision by changing the first ordering paragraph as follows:

IT IS, THEREFORE, ORDERED that the application filed by the New Cumberland Sewer Department, on August 29, 2003, for a certificate to construct improvements to its wastewater treatment facilities be, and hereby is, granted.

It is reasonable to further modify the Recommended Decision by approving the \$12,100 increased project cost and financing.

FINDINGS OF FACT

1. On April 20, 2004, a Recommended Decision was issued to grant the Utility's application for a certificate of convenience and necessity contingent upon the Utility implementing a 12.8% rate increase. The approved project cost was \$368,600.

2. On May 4, 2004, Staff filed exceptions to the Recommended Decision. Staff stated that the appeal period for the Utility's rate ordinance would not expire until June 3, 2004. Staff asked that final approval of the certificate be delayed until after June 3, 2004. Staff noted that this delay would allow the Utility to meet its bond closing scheduled for mid-June 2004.

3. On June 2, 2004, the Utility filed several documents indicating that the project cost and project financing had increased by \$12,100. The Utility proposed to fund the increased project cost with a grant from the City.

4. On June 8, 2004, Staff filed a Further Final Joint Staff Memorandum. Staff stated that no protests to the Utility's rate ordinance had been filed. Staff indicated that the City's contribution of funds to cover the increased project costs would not have an effect on the project rates. Staff recommended approval of the certificate as soon as possible to meet the Utility's bond closing schedule.

CONCLUSIONS OF LAW

1. The Commission concludes that it is appropriate to adopt the April 20, 2004, Recommended Decision with modifications.

2. It is appropriate to modify the Recommended Decision by changing the first ordering paragraph as follows:

IT IS, THEREFORE, ORDERED that the application filed by the New Cumberland Sewer Department, on August 29, 2003, for a certificate to construct improvements to its wastewater treatment facilities be, and hereby is, granted.

3. It is reasonable to modify the Recommended Decision by approving the \$12,100 increased project cost and related financing.

ORDER

IT IS, THEREFORE, ORDERED that the first ordering paragraph of the April 20, 2004 Recommended Decision is hereby modified to read as follows:

IT IS, THEREFORE, ORDERED that the application filed by the New Cumberland Sewer Department, on August 29, 2003, for a certificate to construct improvements to its wastewater treatment facilities be, and hereby is, granted.

IT IS FURTHER ORDERED that the \$12,100 increased project cost and related financing is hereby approved.

IT IS FURTHER ORDERED that except as modified herein, the April 20, 2004, Recommended Decision is adopted as the final order of the Commission in this matter.

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

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

JMH/sek
031423cb.wpd

A True Copy, Teste:



Sandra Squire
Executive Secretary

West Virginia Infrastructure & Jobs Development Council

Public Members:

Russell L. Isaacs, Chairman
Cottageville
Henry Harmon, Vice Chairman
Hurricane
Dwight Calhoun
Petersburg
C. R. "Rennie" Hill, III
Beckley

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

February 5, 2003

The Honorable Arthur L. Watson
Mayor, City of New Cumberland
P.O. Box 505
New Cumberland, West Virginia 26047

Re: City of New Cumberland
Sewer Upgrade Project 2002S-717

Dear Mayor Watson:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the City of New Cumberland's (the "City") preliminary application regarding its proposed project to upgrade the existing disinfection system at the wastewater treatment plant (the "Project").

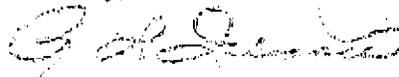
Based on the findings of the Sewer Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The City should carefully review the enclosed comments of the Sewer Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the preliminary application, the Infrastructure Council recommends that the City pursue a Clean Water State Revolving Fund Loan of \$260,000 to finance this Project. Please contact the Department of Environmental Protection Office at 558-0641 for specific information on the steps the City needs to follow to apply for these funds. Please note that this letter does not constitute funding approval from this agency.

The Infrastructure Council also determined the City may be eligible for Infrastructure Fund assistance of \$260,000, in lieu of the CWSRF loan. However, the Infrastructure Council's final decision regarding specific funding of the Project is deferred pending the City's readiness to proceed and availability of funds in the Infrastructure Fund. This letter is not a commitment letter of Infrastructure Funds. The Project will be placed on the Infrastructure Council's pending list of projects.

If you have any questions regarding this matter, please contact Katy Mallory at 558-4607.

Sincerely,



Russell L. Isaacs

Enclosure

cc: Mike Johnson, DEP (w/o enclosure)
Region XI Planning & Development Council
Jonathan Carpenter, E.I., Thrasher Engineering, Inc.

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 18th day of June, 2004, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the City of New Cumberland (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 18th day of June, 2004, the Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of \$238,600, numbered AR-1 (the "Series 2004 A Bonds"), issued as a single, fully registered Bond, and dated June 18, 2004.
2. At the time of such receipt, all the Series 2004 A Bonds have been executed by the Mayor and the Recorder of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2004 A Bonds, of \$39,900, being a portion of the principal amount of the Series 2004 A Bonds. The balance of the principal amount of the Series 2004 A Bonds will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

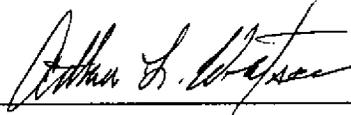
Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY



Authorized Representative

CITY OF NEW CUMBERLAND



Mayor

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 18th day of June, 2004.

(1) Bond No. AR-1, constituting the entire original issue of the City of New Cumberland Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), in the principal amount of \$238,600, dated June 18, 2004 (the "Bonds"), executed by the Mayor and the Recorder of the City of New Cumberland (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on May 3, 2004, and a Supplemental Resolution duly adopted by the Issuer on June 7, 2004 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the Bonds, duly certified by the Recorder of the Issuer;

(3) An executed loan agreement for the Bonds, dated June 18, 2004, by and between the Issuer and the West Virginia Water Development Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Loan Agreement"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$39,900, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

CITY OF NEW CUMBERLAND

A handwritten signature in cursive script, appearing to read "Arthur L. Watson", is written over a horizontal line.

Mayor

06/04/04
658300.00002

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF NEW CUMBERLAND
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BOND, SERIES 2004 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$238,600

KNOW ALL MEN BY THESE PRESENTS: That the City of New Cumberland, a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO HUNDRED THIRTY-EIGHT THOUSAND SIX HUNDRED DOLLARS (\$238,600), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2005, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

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 the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated June 18, 2004.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full

compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on May 3, 2004, and a Supplemental Resolution duly adopted by the Issuer on June 7, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 27, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$647,121 (THE "SERIES 1994 A BONDS") AND (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 27, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$498,666 (THE "SERIES 1994 B BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the holders of the Prior Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2004 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, if any, except from said special fund provided from the Gross Revenues, the monies in the Series 2004 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity

with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF NEW CUMBERLAND has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated June 18, 2004.

[SEAL]



Mayor

SPECIMEN

ATTEST:



Recorder

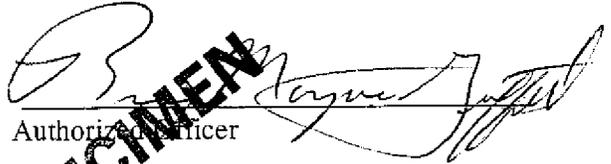
SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: June 18, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar


Authorized Officer

SPECIMEN

EXHIBIT A
RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 39,900	June 18, 2004	(19) \$	
(2) \$		(20) \$	
(3) \$		(21) \$	
(4) \$		(22) \$	
(5) \$		(23) \$	
(6) \$		(24) \$	
(7) \$		(25) \$	
(8) \$		(26) \$	
(9) \$		(27) \$	
(10) \$		(28) \$	
(11) \$		(29) \$	
(12) \$		(30) \$	
(13) \$		(31) \$	
(14) \$		(32) \$	
(15) \$		(33) \$	
(16) \$		(34) \$	
(17) \$		(35) \$	
(18) \$		(36) \$	

TOTAL \$ _____

EXHIBIT B

\$238,600

City of New Cumberland (West Virginia)

40 Years, 0% Interest Rate

Closing Date: June 18, 2004

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2004	-	-	-
12/01/2004	-	-	-
03/01/2005	-	-	-
06/01/2005	1,519.75	-	1,519.75
09/01/2005	1,519.75	-	1,519.75
12/01/2005	1,519.75	-	1,519.75
03/01/2006	1,519.75	-	1,519.75
06/01/2006	1,519.75	-	1,519.75
09/01/2006	1,519.75	-	1,519.75
12/01/2006	1,519.75	-	1,519.75
03/01/2007	1,519.75	-	1,519.75
06/01/2007	1,519.75	-	1,519.75
09/01/2007	1,519.75	-	1,519.75
12/01/2007	1,519.75	-	1,519.75
03/01/2008	1,519.75	-	1,519.75
06/01/2008	1,519.75	-	1,519.75
09/01/2008	1,519.75	-	1,519.75
12/01/2008	1,519.75	-	1,519.75
03/01/2009	1,519.75	-	1,519.75
06/01/2009	1,519.75	-	1,519.75
09/01/2009	1,519.75	-	1,519.75
12/01/2009	1,519.75	-	1,519.75
03/01/2010	1,519.75	-	1,519.75
06/01/2010	1,519.75	-	1,519.75
09/01/2010	1,519.75	-	1,519.75
12/01/2010	1,519.75	-	1,519.75
03/01/2011	1,519.75	-	1,519.75
06/01/2011	1,519.75	-	1,519.75
09/01/2011	1,519.75	-	1,519.75
12/01/2011	1,519.75	-	1,519.75
03/01/2012	1,519.75	-	1,519.75
06/01/2012	1,519.75	-	1,519.75
09/01/2012	1,519.75	-	1,519.75
12/01/2012	1,519.75	-	1,519.75
03/01/2013	1,519.75	-	1,519.75
06/01/2013	1,519.75	-	1,519.75
09/01/2013	1,519.75	-	1,519.75
12/01/2013	1,519.75	-	1,519.75
03/01/2014	1,519.75	-	1,519.75
06/01/2014	1,519.75	-	1,519.75
09/01/2014	1,519.75	-	1,519.75
12/01/2014	1,519.75	-	1,519.75
03/01/2015	1,519.75	-	1,519.75
06/01/2015	1,519.75	-	1,519.75

238,600

City of New Cumberland (West Virginia)

40 Years, 0% Interest Rate

Closing Date: June 18, 2004

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2015	1,519.75	-	1,519.75
12/01/2015	1,519.75	-	1,519.75
03/01/2016	1,519.75	-	1,519.75
06/01/2016	1,519.75	-	1,519.75
09/01/2016	1,519.75	-	1,519.75
12/01/2016	1,519.75	-	1,519.75
03/01/2017	1,519.75	-	1,519.75
06/01/2017	1,519.75	-	1,519.75
09/01/2017	1,519.75	-	1,519.75
12/01/2017	1,519.75	-	1,519.75
03/01/2018	1,519.75	-	1,519.75
06/01/2018	1,519.75	-	1,519.75
09/01/2018	1,519.75	-	1,519.75
12/01/2018	1,519.75	-	1,519.75
03/01/2019	1,519.75	-	1,519.75
06/01/2019	1,519.75	-	1,519.75
09/01/2019	1,519.75	-	1,519.75
12/01/2019	1,519.75	-	1,519.75
03/01/2020	1,519.75	-	1,519.75
06/01/2020	1,519.75	-	1,519.75
09/01/2020	1,519.75	-	1,519.75
12/01/2020	1,519.75	-	1,519.75
03/01/2021	1,519.75	-	1,519.75
06/01/2021	1,519.75	-	1,519.75
09/01/2021	1,519.75	-	1,519.75
12/01/2021	1,519.75	-	1,519.75
03/01/2022	1,519.75	-	1,519.75
06/01/2022	1,519.75	-	1,519.75
09/01/2022	1,519.75	-	1,519.75
12/01/2022	1,519.75	-	1,519.75
03/01/2023	1,519.75	-	1,519.75
06/01/2023	1,519.75	-	1,519.75
09/01/2023	1,519.75	-	1,519.75
12/01/2023	1,519.75	-	1,519.75
03/01/2024	1,519.75	-	1,519.75
06/01/2024	1,519.75	-	1,519.75
09/01/2024	1,519.75	-	1,519.75
12/01/2024	1,519.75	-	1,519.75
03/01/2025	1,519.75	-	1,519.75
06/01/2025	1,519.75	-	1,519.75
09/01/2025	1,519.75	-	1,519.75
12/01/2025	1,519.74	-	1,519.74
03/01/2026	1,519.74	-	1,519.74
06/01/2026	1,519.74	-	1,519.74

\$238,600

City of New Cumberland (West Virginia)

40 Years, 0% Interest Rate

Closing Date: June 18, 2004

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2026	1,519.74	-	1,519.74
12/01/2026	1,519.74	-	1,519.74
03/01/2027	1,519.74	-	1,519.74
06/01/2027	1,519.74	-	1,519.74
09/01/2027	1,519.74	-	1,519.74
12/01/2027	1,519.74	-	1,519.74
03/01/2028	1,519.74	-	1,519.74
06/01/2028	1,519.74	-	1,519.74
09/01/2028	1,519.74	-	1,519.74
12/01/2028	1,519.74	-	1,519.74
03/01/2029	1,519.74	-	1,519.74
06/01/2029	1,519.74	-	1,519.74
09/01/2029	1,519.74	-	1,519.74
12/01/2029	1,519.74	-	1,519.74
03/01/2030	1,519.74	-	1,519.74
06/01/2030	1,519.74	-	1,519.74
09/01/2030	1,519.74	-	1,519.74
12/01/2030	1,519.74	-	1,519.74
03/01/2031	1,519.74	-	1,519.74
06/01/2031	1,519.74	-	1,519.74
09/01/2031	1,519.74	-	1,519.74
12/01/2031	1,519.74	-	1,519.74
03/01/2032	1,519.74	-	1,519.74
06/01/2032	1,519.74	-	1,519.74
09/01/2032	1,519.74	-	1,519.74
12/01/2032	1,519.74	-	1,519.74
03/01/2033	1,519.74	-	1,519.74
06/01/2033	1,519.74	-	1,519.74
09/01/2033	1,519.74	-	1,519.74
12/01/2033	1,519.74	-	1,519.74
03/01/2034	1,519.74	-	1,519.74
06/01/2034	1,519.74	-	1,519.74
09/01/2034	1,519.74	-	1,519.74
12/01/2034	1,519.74	-	1,519.74
03/01/2035	1,519.74	-	1,519.74
06/01/2035	1,519.74	-	1,519.74
09/01/2035	1,519.74	-	1,519.74
12/01/2035	1,519.74	-	1,519.74
03/01/2036	1,519.74	-	1,519.74
06/01/2036	1,519.74	-	1,519.74
09/01/2036	1,519.74	-	1,519.74
12/01/2036	1,519.74	-	1,519.74
03/01/2037	1,519.74	-	1,519.74
06/01/2037	1,519.74	-	1,519.74

\$238,600

City of New Cumberland (West
Virginia)

40 Years, 0% Interest
Rate

Closing Date: June 18,
2004

**Debt Service
Schedule**

Part 4 of 4

Date	Principal	Coupon	Total P+I
09/01/2037	1,519.74	-	1,519.74
12/01/2037	1,519.74	-	1,519.74
03/01/2038	1,519.74	-	1,519.74
06/01/2038	1,519.74	-	1,519.74
09/01/2038	1,519.74	-	1,519.74
12/01/2038	1,519.74	-	1,519.74
03/01/2039	1,519.74	-	1,519.74
06/01/2039	1,519.74	-	1,519.74
09/01/2039	1,519.74	-	1,519.74
12/01/2039	1,519.74	-	1,519.74
03/01/2040	1,519.74	-	1,519.74
06/01/2040	1,519.74	-	1,519.74
09/01/2040	1,519.74	-	1,519.74
12/01/2040	1,519.74	-	1,519.74
03/01/2041	1,519.74	-	1,519.74
06/01/2041	1,519.74	-	1,519.74
09/01/2041	1,519.74	-	1,519.74
12/01/2041	1,519.74	-	1,519.74
03/01/2042	1,519.74	-	1,519.74
06/01/2042	1,519.74	-	1,519.74
09/01/2042	1,519.74	-	1,519.74
12/01/2042	1,519.74	-	1,519.74
03/01/2043	1,519.74	-	1,519.74
06/01/2043	1,519.74	-	1,519.74
09/01/2043	1,519.74	-	1,519.74
12/01/2043	1,519.74	-	1,519.74
03/01/2044	1,519.74	-	1,519.74
06/01/2044	1,519.74	-	1,519.74
Total	\$238,600.00	-	\$238,600.00

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

SPECIMEN

6/7/04
658300 00002



Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, Seventh Floor

P.O. Box 1588

Charleston, WV 25326-1588

(304) 353-8000 (304) 353-8180 Fax

www.steptoelaw.com

Writer's Contact Information

June 18,2004

City of New Cumberland
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

City of New Cumberland
New Cumberland, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of New Cumberland (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, in connection with its \$238,600 Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated June 18, 2004, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, and with principal installments payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2005, and maturing June 1, 2044, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments

and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on May 3, 2004, as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 7, 2004 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. 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 Bond Legislation and the Loan Agreement.

Based upon the foregoing, and upon our examination of such other documents as we have deemed necessary, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to enact the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.

3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), dated October 27, 1994, issued in the original aggregate principal amount of \$647,121 (the "Series 1994 A Bonds"), and Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), dated October 27, 1994, issued in the original aggregate principal amount of \$498,666 (the "Series 1994 B Bonds") (collectively, the "Prior Bonds").

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond numbered AR-1, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,


STEPTOE & JOHNSON PLLC

FRANKOVITCH, ANETAKIS, COLANTONIO & SIMON
ATTORNEYS AT LAW

GEORGE J. ANETAKIS *
CARL N. FRANKOVITCH ***
M. ERIC FRANKOVITCH ***
MARK A. COLANTONIO **†
MICHAEL G. SIMON ***
THOMAS J. DECAPIO *
BETHSANDRA L. HYPES **
HEATHER A. WOOD **
KEVIN M. PEARL **

OF COUNSEL
JOHN H. KAMLOWSKY *
JOHN J. ANETAKIS **†

ADMITTED TO PRACTICE IN
* WEST VIRGINIA
† PENNSYLVANIA
‡ OHIO

337 PENCO ROAD
WEIRTON, WEST VIRGINIA 26062-3828
TELEPHONE: 304-723-4400
FACSIMILE: 304-723-5892

CHESTER, WEST VIRGINIA
(304) 387-4400
WHEELING, WEST VIRGINIA
(304) 233-1212

June 18th, 2004

City of New Cumberland
P.O. Box 505
New Cumberland, WV 26047

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

West Virginia Infrastructure and Jobs Development Council
300 Summers Street, Suite 980
Charleston, WV 25301

Steptoe & Johnson PLLC
P.O. Box 1588
Charleston, WV 25326-1588

Ladies and Gentlemen:

We are Counsel to the City of New Cumberland in Hancock County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement dated June 18, 2004, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"), a Bond Ordinance duly enacted by the Issuer on May 3, 2004, as supplemented by a supplemental Resolution duly adopted by the Issuer on June 7, 2004 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, Recorder and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

4. The Issuer has duly enacted the ordinances prescribing the rates and charges of the System.

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on April 20, 2004 and the Commission Order entered on June 10, 2004, in Case No. 03-1423-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof without any appeal having been filed. The time for appeal of the Commission Order has not expired prior to the date hereof. However, the parties thereto have stated that they do not intend to appeal the Commission Order. Both orders are in full force and effect.

6. 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 Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

7. To the best of our knowledge, there is no litigation, 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 Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Gross Revenues therefore.

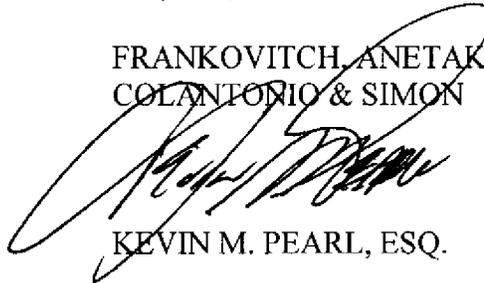
8. We have verified that all successful bidders have made required provisions for all insurance and payment and performance bonds and we have verified such insurance policies or binders and such bonds for accuracy. We have reviewed the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project and we are 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 interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements

of the Act, the Bond Legislation 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,

FRANKOVITCH, ANETAKIS,
COLANTONIO & SIMON

A handwritten signature in black ink, appearing to read 'Kevin M. Pearl', is written over the printed name below.

KEVIN M. PEARL, ESQ.

FRANKOVITCH, ANETAKIS, COLANTONIO & SIMON
ATTORNEYS AT LAW

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June 18th, 2004

City of New Cumberland
P.O. Box 505
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West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

West Virginia Infrastructure and Jobs Development Council
300 Summers Street, Suite 980
Charleston, WV 25301

Steptoe & Johnson PLLC
P.O. Box 1588
Charleston, WV 25326-1588

Re: Final Title Opinion for the City of New Cumberland

Ladies and Gentlemen:

We are counsel to the City of New Cumberland (the "Issuer") in connection with a proposed project to upgrade its sewage treatment plant located in New Cumberland, Hancock County, West Virginia (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") for the Project. Please be advised of the following:

1. We are of the opinion that the Issuer is a duly created and validly existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the Department of Environmental Protection.
2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. We have investigated and ascertained the location of, and are familiar with the legal description of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Thrasher Engineering, Inc., the consulting engineers for the Project.

4. We have examined the records on file in the Office of the Clerk of the County Commission of Hancock County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, with the exception of those listed in Paragraph 5, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

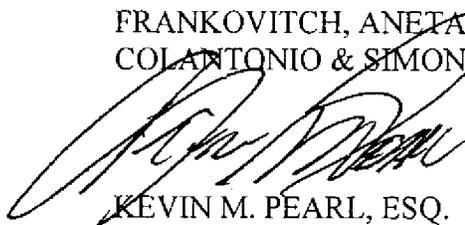
5. The following listed properties are to be acquired by eminent domain and the necessary filings have been made in the Office of the Clerk of the Circuit Court of Hancock County, West Virginia, to permit the Issuer a right-of-entry for the purpose of construction, operation and maintenance of the Project on the subject properties. The Issuer's title thereto is defeasible in the event the Issuer does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the following pending litigation:

NONE

6. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Hancock County to protect the legal title to and interest of the Issuer.

Very truly yours,

FRANKOVITCH, ANETAKIS,
COLANTONIO & SIMON

A handwritten signature in black ink, appearing to read 'Kevin M. Pearl', is written over the printed name of the signatory.

KEVIN M. PEARL, ESQ.

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. RATES
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. PUBLICATION AND PUBLIC HEARING ON BOND
ORDINANCE
15. PUBLIC SERVICE COMMISSION ORDER
16. COMPLIANCE WITH WEST VIRGINIA JOBS ACT
17. PROCUREMENT OF ENGINEERING SERVICES
18. SPECIMEN BONDS
19. GRANT AND ISSUER CONTRIBUTION
20. CONFLICT OF INTEREST
21. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of the City of New Cumberland in Hancock County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, hereby certify on this 18th day of June, 2004, in connection with the Issuer's Combined Waterworks and Sewerage Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2004 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted May 3, 2004 and the Supplemental Resolution duly adopted June 7, 2004 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System and the issuance of the Bonds have been obtained and remain in full force and effect, and competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 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 Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2004 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), dated October 27, 1994, issued in the original aggregate principal amount of \$647,121 (the "Series 1994 A Bonds"), and (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), dated October 27, 1994, issued in the original aggregate principal amount of \$498,666 (the "Series 1994 B Bonds") (collectively, the "Prior Bonds").

The Series 2004 A Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2004 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Bond Ordinance

Supplemental Resolution

Infrastructure Council Loan Agreement

Public Service Commission Order

Infrastructure Council Approval

City Charter

City Council Rules of Order and Procedure

Oaths of Office of Officers and Councilmembers

Current Water and Sewer Rate Ordinances

Minutes on Enactment of Rate Ordinances

Affidavit of Publication of Rate Ordinances

Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Supplemental Resolution and Rules of Procedure

1994 A Bond Ordinance & Supplemental Resolution

1994 B Bond Ordinance & Supplemental Resolution

Consent of Holders of the Prior Bonds to Issuance of Parity Bonds

Evidence of Insurance

Environmental Health Services Permit

NPDES Permit

Infrastructure and Jobs Development Council Grant Agreement

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "City of New Cumberland." The Issuer is a municipal corporation in Hancock County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of six councilmembers, a Mayor and Recorder, all duly elected or appointed, as applicable. The names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Arthur Watson, Mayor	July 1, 2001	June 30, 2005
Tamera Jenkins, Recorder	July 1, 2001	June 30, 2005
Corinne Shreve, Councilmember	July 1, 2003	June 30, 2007
Howard Hartung, Councilmember	July 1, 2001	June 30, 2005
Gale Murray, Councilmember	January 15, 2004	June 30, 2005
Robert Mills, Councilmember	July 1, 2003	June 30, 2007
James E. Lyons, Councilmember	July 1, 2003	June 30, 2007
Richard Blackwell, Councilmember	July 1, 2001	June 30, 2005

The duly appointed and acting Counsel of the Issuer is Frankovitch, Anetakis, Colantonio & Simon, Weirton, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction and financing of the Project or the operation of the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

11. RATES: The Issuer has duly enacted a water rate ordinance on April 4, 1994, and a sewer rate ordinance on May 3, 2004, setting rates and charges for the services of the System. The time for appeal of such ordinances has expired prior to the date hereof without any appeal. The rates established in the water rate ordinance are currently in effect. The rates established in the sewer rate ordinance will become effective 45 days after enactment.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by his manual signature, and the undersigned Recorder did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received \$39,900 from the Authority and the Council, being a portion of the principal amount of the Series 2004 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *Hancock County Courier and The Daily Times*, two qualified newspapers of general circulation in the City of New Cumberland, no newspaper

being published therein, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of Governing Body on the 3rd day of May, 2004, at 5:00 p.m., at the New Cumberland City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on April 20, 2004, and the Commission Order entered on June 10, 2004, in Case No. 03-1423-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof without any appeal having been filed. The time for appeal of the Commission Order has not expired prior to the date hereof. However, the parties thereto have stated that they do not intend to appeal the Commission Order. The Issuer hereby certifies that it will not appeal the Commission Order. Both Orders are in full force and effect.

16. COMPLIANCE WITH WEST VIRGINIA JOBS ACT: The Issuer hereby certifies that, unless it qualifies for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Issuer shall provide the Council and the Authority with a certificate stating that (i) the Issuer will comply with all the requirements of the West Virginia Jobs Act; (ii) the Issuer has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (iii) the Issuer has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (iv) the Issuer will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Issuer is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

17. **PROCUREMENT OF ENGINEER SERVICES:** The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

18. **SPECIMEN BOND:** Delivered concurrently herewith is a true and accurate specimen of the Bond.

19. **GRANT AND ISSUER CONTRIBUTION:** As of the date hereof, the grant from the Council in the amount of \$130,000 is committed for the Project and in full force and effect. The Issuer has also set aside \$12,100 of its own funds for the Project.

20. **CONFLICT OF INTEREST:** No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation 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.

21. **EXECUTION OF COUNTERPARTS:** This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

WITNESS our signatures and the official seal of THE CITY OF NEW CUMBERLAND on this the day and year first above written.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Arthur L. Weston

Mayor

Camara M. Jenkins

Recorder

Counsel to Issuer

06/04/04
658300.00002

WITNESS our signatures and the official seal of THE CITY OF NEW CUMBERLAND on this the day and year first above written.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Mayor

Recorder

A handwritten signature in black ink, appearing to be "Ryan Reed", is written over a horizontal line.

Counsel to Issuer

06/04/04
658300.00002

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the City of New Cumberland in Hancock County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$238,600 Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) (the "Bonds" or the "Series 2004 A Bonds"), hereby certifies on the 18th day of June, 2004, as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on May 3, 2004, as supplemented (the "Bond Ordinance"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on June 18, 2004, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2004 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2004 A Bonds were sold on June 18, 2004, to the Authority, pursuant to a loan agreement dated June 18, 2004, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of \$238,600 (100% of par) (the "Loan Agreement"), at which time, the Issuer received \$39,900 from the Authority and the Council, being the first advance of the principal amount of the Series 2004 A Bonds. No accrued interest has been or will be paid on the Series 2004 A Bonds. The balance of the principal amount of the Series 2004 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2004 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2004 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before May 18, 2005. The acquisition and construction of the Project is expected to be completed by February 18, 2005.

8. The total cost of the Project is estimated at \$380,700. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2004 A Bonds	\$238,600
Infrastructure Council Grant	130,000
Issuer's Contribution	<u>12,100</u>

Total Sources	<u>\$380,700</u>
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USES

Costs of Acquisition and Construction of the Project	\$373,200
Costs of Issuance	<u>\$ 7,500</u>

Total Uses	<u>\$380,700</u>
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9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2004 A Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2004 A Bonds Construction Trust Fund;
- (4) Series 2004 A Bonds Sinking Fund; and
- (5) Series 2004 A Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Ordinance, the proceeds of the Bonds will be deposited as follows:

(1) Proceeds of the Series 2004 A Bonds in the amount of \$-0- will be deposited with the Commission in the Series 2004 A Bonds Reserve Account.

(2) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2004 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2004 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2004 A Bonds.

11. Monies held in the Series 2004 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2004 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2004 A Bonds Sinking Fund and Series 2004 A Bonds Reserve Account will be withdrawn therefrom and deposited into the Series 2004 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 8 months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the Series 2004 A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2004 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within eleven months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

19. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain public purpose or governmental bonds.

23. The Issuer has either (a) funded the Series 2004 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2004 A Bonds in the then current or any succeeding year with the proceeds of the Series 2004 A Bonds, or (b) created the Series 2004 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2004 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2004 A Bonds in the then current or any succeeding year. Monies in the Series 2004 A Bonds Reserve Account and the Series 2004 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

25. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

27. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

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WITNESS my signature on this the day and year first above written.

CITY OF NEW CUMBERLAND

By: Arthur L. Clayton
Its: Mayor

06/04/04
658300.00002

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, H. Wood Thrasher, Registered Professional Engineer, West Virginia License No. 9478, of Thrasher Engineering, Charleston, West Virginia, hereby certify as follows:

1. My firm is the engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the sewerage portion of the existing public combined waterworks and sewerage system (the "System") of the City of New Cumberland (the "Issuer"), to be constructed primarily in Hancock County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on May 3, 2004, as supplemented by the Supplemental Resolution adopted by the Issuer on June 7, 2004, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated June 18, 2004 (the "Loan Agreement").

2. The Bonds are 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 of the Bonds and related costs.

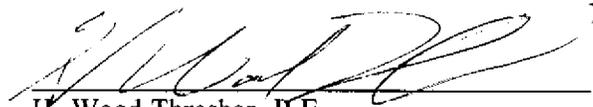
3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the West Virginia Department of Environmental Protection (the "DEP") and the West Virginia Bureau for Public Health (the "BPH") and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and in reliance upon the opinion of Issuer's counsel, Frankovitch, Anetakis, Colantonio & Simon, of even date herewith, all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained

all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of the Issuer's certified public accountant, Dobbs, Abraham and Company, of even date herewith, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Authority and the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 18th day of June, 2004.

THRASHER ENGINEERING

(SEAL)



H. Wood Thrasher, P.E.

West Virginia License No. 9478

SCHEDULE B

City of New Cumberland Sewer

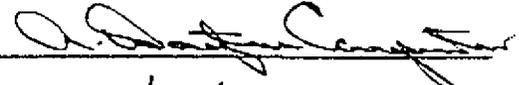
A. COST OF PROJECT	TOTAL	IJDC loan / Grant	City
1. Construction	\$298,568.00	\$286,468.00	\$12,100.00
2. Technical Services			
a. Planning	\$12,500.00	\$12,500.00	
b. Design	\$19,900.00	\$19,900.00	
c. Engineering during Construction	\$22,900.00	\$22,900.00	
d. Special Services			
3. Legal & Fiscal			
a. Legal	\$2,500.00	\$2,500.00	
b. Accounting	\$2,500.00	\$2,500.00	
4. Administrative	\$0.00	\$0.00	
5. Sites & Other Lands	\$0.00	\$0.00	
6. Miscellaneous			
7. Contingency	\$14,332.00	\$14,332.00	
8. TOTAL of Lines 1 through 7	\$373,200.00	\$361,100.00	\$12,100.00
B. SOURCES OF FUNDS			
9. Federal Grants			
10. State Grants	\$130,000.00	\$130,000.00	
11. Other Grants			
12. Any Other Source City	\$12,100.00		\$12,100.00
13. TOTAL Lines 9 through 12	\$142,100.00	\$130,000.00	\$12,100.00
14. Net Proceeds from Bond Issue	\$231,100.00	\$231,100.00	\$0.00
C. COST OF FINANCING			
15. Funded Reserve			
16. Other Costs			
a. Registrar fees	\$500.00	\$500.00	
b. Bond Counsel	\$7,000.00	\$7,000.00	
17. Cost of Financing	\$7,500.00	\$7,500.00	\$0.00
18. Size of Bond Issue	\$238,600.00	\$238,600.00	\$0.00

Governmental Agency

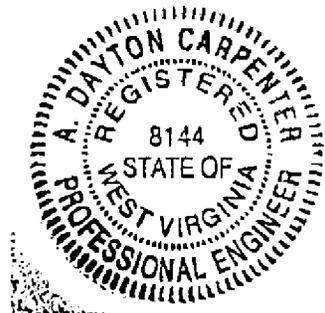
Consulting Engineer

Date:

Date:



6/15/04



SCHEDULE B

City of New Cumberland Center

A. COST OF PROJECT	TOTAL	IJDC loan / Grant	City
1. Construction	\$286,488.00	\$286,488.00	\$12,100.00
2. Technical Services			
a. Planning	\$12,500.00	\$12,500.00	
b. Design	\$19,900.00	\$19,900.00	
c. Engineering & Construction	\$22,900.00	\$22,900.00	
d. Other Services			
3. Legal & Title			
a. Legal	\$2,500.00	\$2,500.00	
b. Accounting	\$2,500.00	\$2,500.00	
4. Administration	\$0.00	\$0.00	
5. Signs & Other Items	\$0.00	\$0.00	
6. Miscellaneous			
7. Contingency	\$14,332.00	\$14,332.00	
8. Total	\$373,200.00	\$381,100.00	\$12,100.00
B. SOURCE OF FUNDS			
9. Federal			
10. State	\$130,000.00	\$130,000.00	
11. Other			
12. Applicant	\$12,100.00		\$12,100.00
13. Total	\$142,100.00	\$130,000.00	\$12,100.00
14. Net	\$231,100.00	\$231,100.00	\$0.00
C. COST OF FINANCING			
15. Financing			
a. Interest	\$500.00	\$500.00	
b. Other	\$7,000.00	\$7,000.00	
17. Cost of Financing	\$7,500.00	\$7,500.00	\$0.00
18. Size of Bond Issue	\$238,800.00	\$238,800.00	\$0.00

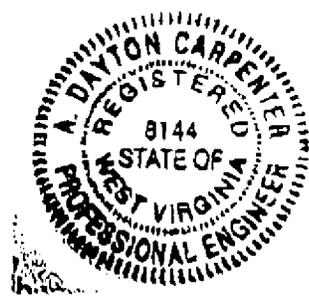
Governmental Agency
Curtis A. Watson

Date: 06-16-04

Consulting Engineer

[Signature]

Date: 6/15/04



Received Time Jun. 15. 2:47PM

THOMAS L. DOBBS
CERTIFIED PUBLIC ACCOUNTANT
400 MORTON AVENUE
P.O. BOX 248
MOUNDSVILLE, WV 26041
304-845-7914
FAX 304-843-1905

June 18, 2004

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

City of New Cumberland
New Cumberland, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

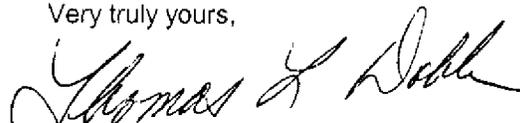
West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Water Rate Ordinance enacted April 4, 1994 and the Sewer Rate Ordinance enacted on May 3, 2004, and the current operation and maintenance expenses and customer usage as furnished to us by the City of New Cumberland (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the combined waterworks and sewerage system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the system and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Combined Waterworks and Sewerage Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) (the "Bonds"), to be issued to the West Virginia Water Development Authority on the date hereof, and all other obligations secured by or payable from the revenues of the System, on a parity with the Bonds, including the Prior Bonds of the Issuer as defined and described in the Bond Ordinance of the Issuer enacted May 3, 2004, authorizing the Bonds.

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Bonds and the Prior Bonds.

Very truly yours,


Thomas L. Dobbs
Certified Public Accountant

CHARTER OF THE TOWN OF NEW CUMBERLAND

Acts of the Legislature of West Virginia, 1891, chapter 48.

An act to amend, consolidate and reenact Chapter 174 of the acts of the Legislature of 1879, providing for the incorporation of the Town of New Cumberland, and to extend and define the corporate limits of said town, passed February 28th, 1891.

Be it enacted by the Legislature of West Virginia:

That Chapter one hundred and seventy-four of the acts of 1872, and Chapter 34 of the acts of 1879, are hereby amended, reduced into one, and re-enacted so that they shall read and be as follows:

Section 1. Town of New Cumberland, Corporate powers.

The inhabitants of Hancock County in this State, now and hereafter residing within the boundaries prescribed in the next section hereof, shall be, and they are hereby constituted a body politic, and corporate, by and under the name of "The Town of New Cumberland", and as such, and by and in that name, shall have perpetual succession and a common seal, and may sue and be sued, contract and be contracted with purchase, lease, hold and use real and personal property necessary for corporate purposes, and generally have all of the rights, powers and franchises appertaining to municipal corporations in this State.

Section 2. Boundaries.

The boundaries of the said town shall be as follows: Beginning at the Mouth of Deep Gut run, on the South side thereof, and at the low water mark of the Ohio River Thence up said run North $63\frac{3}{4}$ degree E. 26 rods to a large Elm tree standing on the South bank of said run: Thence N. 10 degrees E. 23 rods to a stone on the North side of said run; thence South 85 degrees E. crossing said run to a rock 11 rods; thence S. 19 degrees West 78 rods to a dogwood corner to Smith Porter & Co.; thence by line of Jeremiah Smith S. 23 degrees E. 65 rods; thence North 13 degrees 1. 4 rods to a stone; thence by lands of Smith and Gregory South $30\frac{1}{2}$ degrees E. 67.5 rods to a stone in John Chapman's line; thence South 70 70 degrees W. 17.5 rods to the East side of a twelve foot alley; thence with said alley S. 21 degrees E. 42.7 rods to the lands of Fickes; thence with said Fickes line N. 69 degrees E. 2.4 rods; thence S. 36 degrees E. 15 rods thence S. 69 degrees W. 6.5 rods to the east side of said alley; thence with same S. 21 degrees E. 22 rods to the line of Smith Porter & Co., N. 69 degrees E. 21.7 rods; thence S. 24 degrees E. 28.5 rods; thence S. $66\frac{1}{2}$ degree W. 3 rods to corner of G. W. Newman; thence S. $39\frac{1}{2}$ degrees E. 9.2 rods; thence S. $62\frac{1}{2}$ degrees E. 17 rods to a pile of rocks; thence S. 29 degrees E. 54.4 rods to three white oak stumps, original to Campbell, Cuppy and Chapman; thence S. $54\frac{1}{2}$ degrees E. 36 rods to a stone corner to the New Cumberland Cemetery, and with the same N. 16 degrees W. 10.5 rods to center of road; thence N. 50 degrees E. 4 rods; thence N. 42 degrees E. 12 rods; thence N. 56 degrees E. 25 rods; thence N. 50 degrees E. 7 rods; thence S. $7\frac{1}{2}$ degrees E. 58 rods; thence S. $66\frac{1}{2}$ degrees W. 23.1 rods to a line of Mrs. Headley; thence S. 55 degrees E. 33.3 rods to a Red oak stump; thence N. 67 degrees E. 34.5 rods; thence S. $81\frac{1}{4}$ degrees E. 31.2 rods to cross on a rock on the North side of Harden's Run; thence with line of E. Stewart, S. 25 degrees E. 8.5 rods; thence S. 42 degrees W. 50.8 rods; thence S. 65 degrees W. about 22 rods to line of Rev. S. F. Greer; thence S. 33 degrees E. 35 rods; thence with line of J. H. Atkinson, James M. Porter and John Porter S. $43\frac{1}{2}$ degrees E. 79 rods to a stone; thence S. 89 degrees E. 20.5; rods; thence S. 2 degrees E. 40 rods; thence S. 9 degrees E. 49 rods to a hickory corned to Roseberry's; thence with Roseberry lands S. 48 degrees W. 61 rods; thence S. 55 degrees W. 41 rods thence S. 14 degrees E. 60 rods to corner of Mrs. Ballantyne; thence with her line North 50 degrees W. 15 rods; thence N. 88 degrees W. about 25 rods to low water mark at the Ohio river; thence West about 70 rods to the West line of West Virginia; thence up the Ohio river with said line of West Virginia, about 800 rods; thence

CHARTER OF THE TOWN OF NEW CUMBERLAND

East across said river about 70 rods to the beginning; but excepting from said boundary the County Bridges over Deep Gut run and Over Harden's run, with their abutments which otherwise would be included therein.

OFFICERS--SECTION 3

The officers of said town shall be mayor, recorder, and two councilmen from each ward, a sergeant, and street commissioner. The Mayor and recorder shall be elected by the qualified voters of the town, and the councilmen by the qualified voters of the respective wards, and together shall constitute the common council of said town. The other officers of this section shall be appointed by council, but offices of mayor, sergeant, and street commissioner shall not be incompatible, neither shall the offices of recorder, street commissioner, sergeant, and policemen be incompatible and all the appointive offices insofar as is possible may be held in whole or in part by the mayor or the recorder or either by the mayor and the recorder, and such consolidation of offices shall not be deemed incompatible. No person shall be eligible to any elective office unless he is a legal voter and was for the preceding year assessed with and paid taxes upon at least one hundred dollars worth of real or personal property therein.

ELECTIONS--SECTION 4

The first election under this act shall be held on the second Tuesday of June, one thousand nine hundred thirty-five and there shall be an election held on the second Tuesday of June every two years thereafter. The vote of said election shall be by ballot. All persons who shall have been bona fide residents of the Town three months next preceding any election, and entitled to vote under the constitution and laws of the state, shall be entitled to vote at such election; but only in the ward of residence. The said election shall be held and conducted at such places and under such rules and regulations not inconsistent with the laws regulating district elections, as may be prescribed by the council. Contested elections shall be heard and decided by the council, and the proceedings shall conform as nearly as may be to similar proceedings in case of county and district officers. The council shall be the judge of the election returns and qualifications of its own members.

TERMS OF OFFICE--SECTION 5

The terms of the office of mayor and recorder shall be two years each, and of councilman shall be four years, beginning the first Tuesday in July next succeeding their election and continuing until their successors are elected and qualified; except that the term of office of one of the Councilmen from each of the wards elected at the first election provided shall be determined by lot, one for the two year term and one for the four term, in the presence of and under the direction of the council. The term of all officers appointed by Council shall be as prescribed by council, but shall not exceed two years.

OATH OF OFFICE--SECTION 6

Every person elected or appointed to an office in said town within twenty days thereafter, and before entering on the duties of his office, take and subscribe the oath required by law of officers generally, such oath may be administered by the Mayor, the Clerk, or any other officer authorized to administer oaths.

APPOINTED OFFICERS, DUTIES, BONDS, ETC. SECTION 7.

The Council shall prescribe the powers and duties of all officers by it appointed, except so far as the same are by this act prescribed. It shall fix their compensation, and may require and take from them respectively bonds payable to the town in such penalty and with such sureties as it may deem proper, conditioned for the faithful discharge of their duties.

CHARTER OF THE TOWN OF NEW CUMBERLAND

SECTION 8 BOUNDARIES OF WARDS

The territory of said town is hereby divided into three wards as follows: The part lying north of the center of Madison street shall constitute the first ward.

That part lying between the center of Madison street and the center of said Sedgwick street shall constitute the second ward. That part lying south of the center of Sedgwick street shall constitute the third ward. The lines between the wards are understood to run from the west boundary of the town to the east boundary by lines projected through the center of each of the said streets and avenues.

The council may, after two years after the passage of this act, by ordinance, change the boundaries of the several wards and may decrease the number of said wards; but no change of boundaries for the decrease of the number of wards shall be made until notice of such change of boundaries has been given by order of council by publication in the newspapers of said town, for two successive weeks prior to meeting of council at which such ordinance is proposed for passage, and said notice shall name the time of such meeting.

SECTION 9. OF THE COUNCIL, ITS GENERAL POWERS

The council of said town shall have the power to lay off, vacate, close, open, alter, grade and keep in good repair and free from obstructions the roads, streets, alleys, pavement, sidewalks, crosswalks, drains, sewers and gutters therein for the use of citizens of the public, to improve and light the streets, alleys, buildings, and grounds of said town; to regulate the width of pavements and sidewalks on the streets and alleys, and to order the pavement, sidewalk, footways, drains and gutters to be kept in order, free and clean by the owners or occupants of the property (real) next adjacent thereto; to establish and regulate markets, prescribe the time of holding the same; provide suitable and convenient buildings therefor, and prevent the forestalling and regrating of such markets; to prevent injury or annoyance to the public or individuals from anything dangerous, offensive, or unwholesome; to prohibit or regulate slaughter-houses, tan houses, or soap factories within the town limits; or the exercise of any unhealthy or offensive business, trade, or employment; to abate all nuisances within the town limits, or to require or compel the abatement or removal thereof, by or at the expense of the person causing the same, or by or at the expense of the owner of the ground on which they are placed or found; to be caused to be filled up, raised, or drained, by or at the expense of the owner any town lot or tract of land covered or subject to be covered by stagnant water; to prevent horses, hogs, cattle, sheep, or other animals and fowls of all kinds from going or being at large in said town; and as one means of prevention, to provide for empounding and confining such animals and fowls, and for failure to reclaim, for the sale thereof; to protect places of divine worship, and to preserve order in and about the premises where and when such worship is held; to regulate the keeping of gun powder and other inflammable and dangerous substances; to provide for the regular building of houses or other structures, and for the making and maintaining of division fences by the owners of adjoining premises, and for the proper drainage of town lots or other parcels of land, by or at the expense of the owner thereof; to provide against danger or damage by fire; to punish for assault and battery; to prevent loitering in or visiting houses of ill-fame, or loitering in saloons or on the streets, to prevent lewd or lascivious conduct, the sale or exhibition of indecent pictures, or other representations, to prevent and punish for gambling, the desecration of the Sabbath Day, profane swearing; to prevent the illegal sale of intoxicating liquors, drinks, mixtures and preparations, and to provide the penalties of such cases; to protect the persons of those residing within the town; to appoint when necessary or advisable a police force, permanent or temporary to assist the sergeant in the discharge of his duties; to build

CHARTER OF THE TOWN OF NEW CUMBERLAND

or purchase, or lease and use a suitable place of imprisonment within or near the said town, for the safe-keeping or punishment of persons charged with or convicted of the violation of ordinances; to erect or authorize, or prohibit the erection of electric, gas or water works within the town limits to prevent injury to such works or the pollution of any water or gas used, or intended to be used by the public or by individuals; to provide for and regulate the weighing or measuring of hay, coal, and lumber, and other articles sold, or kept for sale within the said town; to establish, construct, alter, remove and repair landings, wharves, and docks, and to establish and collect rates and charges for the use thereof; to regulate the running and speed of cars, automobiles, trucks, and other vehicles within the said town; to create by ordinance such committees or boards and delegate such authority thereto as may be deemed necessary or advisable; to provide for the annual assessment of the taxable property therein and for a revenue expense; and generally to take such measures as may be advisable or necessary to protect the property, both public and private within the town; to preserve and maintain the peace, quiet and good order therein, and preserve the health, safety and comfort and well being of the inhabitants thereof.

SECTION 10 ORDINANCE INFLECTING FINES AND PENALTIES

To carry into effect these enumerated powers and all others by this act, or by general laws conferred upon the said town, or its council, or any of its officers, the said council shall have and possess full authority to make, pass, and adopt all needful ordinances, by-laws, and resolutions, not repugnant to the constitution of the United States, or of this state, and to enforce any and all ordinances, by-laws, orders, or resolutions by prescribing for a violation thereof fines and penalties and imprisonments, either in the county jail of Hancock county, or in the town prison, if there be one. Such fines and terms of imprisonment shall not exceed the penalties imposed by the state for like offenses. Such fines and penalties shall be imposed and recovered, and such imprisonment inflicted and enforced, by and under the judgment of the Mayor of said town, or in case of his absence or inability to act, then the recorder may act in his place, or one of the justices within the district of Clay.

SECTION 11. REMOVAL, VACANCIES, ETC.

The Council shall have the authority to remove any officer of the town whether elected or appointed, for mis-conduct or neglect of duty by an affirmative vote of two-thirds of the members of Council, but only after reasonable notice to such officer, and a hearing of the charge or charges preferred; and any vacancy in office, however occasioned may be filled by Council for the unexpired term until the next election of town officers.

SECTION 12. MEETINGS OF COUNCIL, TRANSACTION OF BUSINESS

The Council shall fix the time and place of holding regular meetings, may provide for special and adjourned meetings; and may prescribe rules and regulations, not inconsistent herewith, for the transaction of business, and for its own guidance and government. The Mayor shall be president of Council, but in the case of his absence, one of the Councilmen present at any meeting thereof, selected for the purpose by a majority of the members present shall act temporarily as such officer. A majority of the Council shall constitute a quorum. No member of the Council shall vote, or take part in the consideration of any proposition in which he is or may be interested otherwise than a resident of said town; and the Mayor or any other presiding officer shall have but one vote, on any question, and that as a member of the council.

SECTION 13. SECOND VOTE ON ORDINANCES, ETC.

In case any ordinance, by-law, resolution or measure shall receive a majority of the votes of the members of the council present, but less than two-thirds of all of the members, the Mayor or any two of the councilman may insist upon a

CHARTER OF THE TOWN OF NEW CUMBERLAND

further consideration thereof, and thereup on it shall not be deemed passed, but shall be postponed until the next regular meeting of the council, when if it shall again receive a majority of the members present, it shall stand and be declared adopted, and not otherwise.

SECTION 14. RECORDS.

The Council shall cause to be kept by the Clerk, in a well bound book, to be called the "Minute Book", an accurate record of all of its proceedings, ordinances acts, orders and resolutions, and in another to be classed "Ordinance Book", accurate copies of all of the general ordinances adopted by the council; both of which shall be fully indexed and open to the inspection of anyone required to pay taxes to the town, or who may be otherwise interested. All oaths and bonds of officers in the town, and all papers of the council, shall be endorsed, filed and securely kept by the Clerk. All printed copies of such ordinances purporting to be published under authority of the council, and transcript of such ordinances, acts, orders and resolutions, certified by the Clerk, under the seal of the town, shall be deemed prima facia correct when sought to be used in evidence in any court, or before any Justice.

SECTION 15. THE MINUTES, YEAS AND NAYS.

At each meeting of the council the proceedings of the last meeting shall be read and if erroneous corrected, and signed by the presiding officer for the time being. Upon the call of any member the yeas and nays on any question shall be taken and recorded in the "Minute Book" and the yeas and nays shall be taken and recorded upon the passage of every ordinance.

SECTION 16. OF THE MAYOR'S SALARY

The Mayor shall receive the sum of not less than one hundred dollars nor more than two hundred dollars per annum, to be fixed by the council, but if at any time the number of inhabitants of said town shall exceed thirty-five hundred, the salary shall not be less than two hundred nor more than five hundred dollars. Such salary shall be in lieu of the fees which would otherwise accrue to him in proceeding for the enforcement of ordinances, but all such fees shall be collected, when practicable, and accounted for to the town.

SECTION 17. GENERAL POWERS AND DUTIES OF THE MAYOR.

The Mayor shall be chief executive officer of the town, and shall take care the the orders, by-laws, ordinances and resolutions of the council thereof; are faithfully executed. He shall be ex-officio a Justice and conservator of the peace within the said town, and shall within the same have, possess and may exercise all the powers and perform all the duties whether in civil or criminal proceedings, vested by law in a Justice of the Peace. Any summons, warrant, or other process, issued by him may be executed at any place within the County. He shall have control of the police officers and shall appoint special police men whenever he deems it necessary; and it shall be his duty specially to see that the peace and good order of the town are preserved, and persons and property therein are protected, and to this end he may arrest and detain, or cause the arrest and detention of all riotous and disorderly persons before taking other proceedings in the case. He shall from time to time recommend to the Council, such measures as he may deem needful for the welfare of the town. He shall not receive any money due or belonging to the State, or to corporation or to individuals, unless and until he shall have given the bond and security required of a Justice of the Peace by Chapter 50 of the Code of West Virginia; and all of the provisions of said chapter relating to monies received by him in like cases.

CHARTER OF THE TOWN OF NEW CUMBERLAND
SECTION 18. PROVIDING FOR THE VIOLATION OF CERTAIN ORDINANCES.

The process and proceedings to enforce any ordinance, prescribing a fine or imprisonment or a fine and imprisonment for violation thereof, shall be a summons in the name of the Town of New Cumberland, as plaintiff, directed to the Sergeant or any Constable of any district within said town, requiring the person accused of such violence or violation, and who may thereafter be designated as defendant, to appear before the Mayor, at any time and place therein named, to make answer to such accusation, and to be dealt with according to law. Such summons shall contain such statement of the facts alleged as will inform the person of the general nature of the offense against the town with which he stands charged, and except in cases of arrest on view, shall be issued only on the complaint, on oath of some creditable persons. But the Mayor may, by good cause appearing, by an endorsement on the summons, order the person so accused to be forthwith apprehended and brought before him for hearing of the charge. The Clerk of the said town as well as the Mayor shall have authority to receive any complaint in writing of the violation of an ordinance, and to sign and issue a proper summons based on such complaint. The Mayor shall have, possess and exercise the power and authority belonging to a Justice, under Sections two hundred and twenty four and two hundred and twenty-five of Chapter fifty of the Code of West Virginia, in summoning and enforcing the attendance and examination in punishing for contempt, in granting continuances and in enforcing the further attendance of the accused, with the view to a trial or hearing. If any recognizance be taken for such further attendance and is forfeited, the Mayor shall record the default and an action may be maintained, in the name of the town, before the Mayor or any Justice having jurisdiction, against the accused and his sureties if any, to recover the penalty thereof.

SECTION 19. ENFORCEMENT OF JUDGMENT.

The Mayor shall have the power to issue an execution for any fine or costs assessed or imposed by him for the violation of any ordinance or he may at the time of rendering judgment therefore, or at any time thereafter and before satisfaction of such judgment, by his order in writing, require immediate payment thereof, and in default of such payment he may commit the person so in default to the Jail of Hancock County, or in his discretion, to the prison of said town if any shall have been provided by the Council, until fine and costs have been paid; but such imprisonment shall not exceed thirty days.

SECTION 20. DUTY OF JAILOR--JAIL EXPENSES.

The Jailor of Hancock County, shall take and receive into his custody any person sentenced to imprisonment in the Jail of said county, or committed thereto for the non-payment of fine and costs, or for the failure to enter into a recognizance, by the judgment or the order of the Mayor in proceedings for the violation of an ordinance; and the expense of maintaining such person while so in confinement shall be paid by the town.

SECTION 21. DOCKET

A book well bound and indexed, to be denominated the "Docket" shall be kept in the office of the Mayor, in which shall be noted each case, brought or tried by him, together with the proceedings thereon, including a statement of the complaint, the summons, the return, the fact of appearance, the defense, the hearing, the judgment, the costs, and in case the judgment be one of conviction, the action taken to enforce the same. The record of each case shall be signed by the Mayor and the original papers thereof, if no appeal with writ of error or certiorari be taken, shall be kept together and preserved in his office.

SECTION 22. APPEAL FROM JUDGMENT IN TOWN CASES.

In case of the violation of an ordinance of the said town, in which there is a judgment by the Mayor of imprisonment or for a fine of more than five dollars, an appeal shall lie at the instance of the person against whom such judgment is rendered, to the Circuit Court of Hancock County. Such appeal shall not be granted

CHARTER OF THE TOWN OF NEW CUMBERLAND

by the Mayor unless, within ten days from date of judgment, such person shall enter into a recognizance with security deemed sufficient to appear before the said court on the first day of the next term thereof, to answer for the offense against the town, with which he stands charged, and not thence depart without leave of said court. The provisions of Chapter one hundred and sixty-two of the Code of West Virginia, relating to recognizances in criminal cases, shall be applicable to recognizances contemplated by this section; but any money recovered thereon, or by virtue thereof shall inure to the said town.

SECTION 23. TRIAL IN COURT.

If the appellant be found guilty of a violation of the ordinances in question, whether upon the verdict of the jury or otherwise, the Court shall ascertain by its judgment the fine or imprisonment to be paid or suffered by such defendant, having regard to the punishment prescribed by such ordinance, and shall include in any such judgment the cost incurred, by the said town, as well as in the proceedings before the Mayor as those in Court, including a fee to the attorney for the town of five dollars, and fees, if any of the Jailor or keeper of the town prison; and the proceedings to enforce the collection of any such fine and costs may be as provided in section ten, eleven and twelve of Chapter thirty-six of the Code of West Virginia, except the writ mentioned in the tenth section may be issued by the Clerk upon the order of the Mayor of the town, and the notice contemplated by the eleventh section, shall be given to such officer. If the judgment be for the defendant, he shall recover his costs against the town.

SECTION 24. APPEALS IN OTHER CASES.

From all judgments by the Mayor or in cases other than for the violations of ordinances, appeals shall be allowed as in similar cases before Justices.

SECTION 25. BOND OF SERGEANT--COLLECTION OF TAXES, ETC.

The Sergeant before entering on the discharge of his duties, shall execute a bond conditioned for the faithful performance by him of the duties of his office, and for the accounting for and paying over, as required by law, all money which comes into his hands by virtue of his office, with surety satisfactory to the council, payable to the town of New Cumberland, and in a penalty of not less than one thousand and not more than five thousand dollars, as the council may prescribe. He shall be chargeable with the town taxes and levies and it shall be his duty to collect and account for the same, and he may distrain therefore in case they are not paid within one month after they are placed in his hands and notice thereof given for two weeks by publication in one or more newspapers published in said town; or by posting at one or more public places in each ward; and as to such distraint and any sale thereunder, as well as in other respects, he shall have the same power and authority possessed by the officer charged with the collection of State taxes, upon all town taxes, whether real or personal estate, not collected before the first day of January, after they are due and payable, he shall charge, collect and account for interest at the rate of one per-cent per month until they are fully paid. He shall also be chargeable with and shall collect and account for all the assessments made by the council, and all fines and costs and rates due to the town.

SECTION 26. ARREST UPON VIEW--SERVICE OF PROCESS

LIABILITY OF SERGEANT.

In case of violation of any ordinance of said town is committed in the presence, or within the view of the Sergeant, or other police offender may be forthwith apprehended and taken before the Mayor and a complaint, under oath, stating such violation, then alleged and filed; and thereupon such offender may be tried and dealt with according to law, without summons. The Sergeant shall

CHARTER OF THE TOWN OF NEW CUMBERLAND

execute, within the County of Hancock, any proper process issued by the Mayor in proceedings for the enforcement of ordinances; and shall collect, by levy of execution or otherwise, and duly account for all fines assessed and the costs imposed in such proceedings. He shall also have all of the rights and powers within said town in regard to the arrest of persons, the collection of claims and the execution and return of process, that are or may be lawfully executed by a Constable of a district within the same, and shall be entitled to the compensation therefore; and he and his sureties shall be liable to all the fines, penalties and forfeitures that a Constable is liable to for any dereliction of duty in office, to be recovered in the same manner and in the same Court that such fine, penalties and forfeitures are recovered against Constables.

SECTION 27. SETTLEMENT BY THE SERGEANT--COMPENSATION--PAYMENTS ON ORDERS

It shall be the duty of the Sergeant, at least once in six months during his continuance in office, and oftener if required by the Council to render an account of the taxes, fines, penalties, assessments and other claims in his hands for collection, and return a list of such as he may not have been able to collect by reason of insolvency, removal or other causes; to which list he shall append an affidavit that he has used due diligence to collect the claims therein mentioned, but has been unable to do so; and if the council shall be satisfied of the correctness of the said list, it shall allow him a credit for said claims, but may thereafter take such lawful measures to collect the same as shall be by it prescribed. He shall receive for his services in the collection of taxes, assessments and other claims due the town, a compensation to be fixed by the council, not exceeding five per centum on the amount, duly collected and accounted for, except an additional per centum may be allowed in case of fines, and may be allowed in addition, a salary of not more than three hundred dollars per annum. He shall pay any more money in his hands belonging to the town upon the order of the council.

SECTION 28. REMEDY AGAINST THE SERGEANT.

If the Sergeant shall fail to collect, account for, and pay over all or any of the monies with which he may be chargeable, belonging to the town, according to the conditions of his bond and the orders of the council it shall be lawful for the council to recover the same by action, or by motion, upon ten days' notice, in the corporate name of the town, in the Circuit Court of Hancock County, against him and his sureties or any or either of them or his or their executors or administrators, if the sum does not exceed three hundred dollars, such recovery may be had before the Mayor or any Justice of said County.

SECTION 29. DEPUTY SERGEANTS.

The Sergeant may, with the consent of the council, entered of record, but not otherwise, appoint a deputy or deputies, who may perform the duties or any of them with which he is charged; but the Sergeant shall in all cases be responsible for the acts or omissions of the deputy or deputies so appointed.

SECTION 30. OF THE ASSESSOR.

It shall be the duty of the Assessor to ascertain the tangibles and property within said town subject to taxation and make returns thereof to the council at such time as may be prescribed, substantially in manner and form as in the case of assessments by County assessors; and to this end he shall have access to the most recent books and record of the County of Hancock upon payment of reasonable fees and charges to be arranged and provided for by the council. The latest assessable assessments, for State and County purposes, including value, shall be used and adopted by him; but as to property not included in such assessment, he shall ascertain the same, fix the value thereof, and include the same in his assessment; but the council may correct any error on his part in this regard, upon the application of any person aggrieved. In the discharge of his duty he shall have the same powers as are conferred by law upon County Assessors.

CHARTER OF THE TOWN OF NEW CUMBERLAND

SECTION 31. STREET COMMISSIONER.

The Street Commissioner shall be appointed by the council and shall hold office at their pleasure; perform such duties and receive such compensation, therefore, as council may from time to time prescribe.

SECTION 32. FINANCES AND EXPENSES.

The Council shall cause to be made up annually, and spread upon its minute book, the accurate estimate of all sums of which are, or may become lawfully charged against the town, and which ought to be paid within one year, and it shall order a levy of so much as will in its judgment, be necessary, and upon all real and personal property therein, subject to State and County taxes; provide, that such levies shall not exceed one dollar on each tangible, and one dollar on every one hundred dollars, of the ascertained value of such property. At least once in each year the council shall cause to be made up and published in one or more of the newspapers of the town, a statement of the revenue received from the different sources, and of the expenditures upon the different accounts for the preceding year, or portion of year as the case may be.

SECTION 33. LIEN FOR TAXES, FINES, ETC.

There shall be a lien upon real estate within said town for the town taxes assessed thereon, and for all the fines thereof by the authorities of said town from the time the same are so assessed or imposed, which shall have priority over all other liens, except the lien for taxes due the State, county and district; which may be enforced by the council in the same manner provided by law for the enforcement of the lien for County taxes. If any real estate within the said town be returned delinquent for the non-payment of the delinquent taxes due thereon, a copy of such delinquent list may be certified by the council to the Auditor, and the same be sold for the town taxes, interest therein, in the same manner, at the same time, by the same officer, as real estate is sold for the non-payment of State taxes.

SECTION 34. TOWN LICENCES.

Council shall have authority to require a town license, as follows: for anything to be done, carried on, exhibited within the town for which a State license is now, or may hereafter be required, for the keeping of hacks, carriages, carts, wagons and other vehicles for hire within the town, and for the keeping of dogs within the town; and the council may provide for the killing of all dogs, the keeping of which is now so licensed. Upon all such license, the council may impose a reasonable tax for the use of the town, when any license is granted by the council for the sale of spiritous liquors, wine, porter, ale or beer, and drinks of like nature, it shall take from the person as licensed, a bond with approved security, in a penalty of not less than three thousand and five hundred dollars, payable to the State of West Virginia, and conditioned as prescribed in section twenty-two of Chapter thirty-two of the Code of West Virginia. The Council may provide for the punishment of such persons for the violation of any of the conditions of the said bond, and suit may be brought and maintained against such person and his sureties on such bond, for the same object, by the same person, in the same manner, and with like effect, as upon a bond taken under section mentioned; and also for any fines and costs that may be imposed by the Mayor for any offense against the town under its ordinances, involving a breach of the conditions of such bond. But no such license shall be granted unless the consent of the County Court shall be first obtained therefore; and such license shall be of uniform tax, at the rate of not less than five hundred dollars, and not more than nine hundred dollars in each instance, for each year. The council may revoke any such license for a breach of any of the

CHARTER OF THE TOWN OF NEW CUMBERLAND

conditions of such bond, or for any good cause shown; but the person holding the license must first have reasonable notice of the time and place of hearing and adjudication of the matter as well as the cause alleged; and he shall be entitled to be heard; in person or by counsel in opposition to such revocation. The council may prescribe by ordinance, the manner in which licenses of all kinds shall be applied for and granted, and it may require the payment of the tax thereon before the delivery to the person applying therefor.

SECTION 35. THE TIME FOR WHICH LICENSE SHALL BE GRANTED

The provisions of the twenty-ninth section of chapter thirty-two of the Code of West Virginia, relating to State licenses, shall be deemed applicable to licenses of a similar character to those therein mentioned, and when granted by or under the authority of the council of the said town. License for the keeping of dogs shall also expire on the thirtieth day of April next after they are granted, and all other licenses may be for such time as the council may determine.

SECTION 36. CONDEMNATION PROCEEDINGS.

The council shall have the right to institute proceedings in the name of the town, for the condemnation of real estate, for streets, alleys, drains, market grounds, landings, wharves, city prison, or other work or purpose of public utility. Such proceedings shall conform to the provisions of Chapter forty-two of the Code of West Virginia, and the expense thereof shall be born by the town.

SECTION 37. WORK UPON STREETS.

Every male resident between the age of twenty-one and fifty years, not a pauper, may be required by the council, by himself, or an acceptable substitute, under the directions of the Street Commissioner to work not to exceed two days in each year, upon any of the streets and alleys of said town, or he may be released therefrom upon the payment to the Street Commissioner of a sum of money to be first by Council, to be used solely in making or improving such streets and alleys, and the council shall include in its levy an additional sum that may be necessary to make and keep in order such streets and alleys, as well as the drains, gutters, sidewalks and crosswalks, and to defray all other expenses incident thereto. The residents of the said town shall be and remain exhororated from the payment of district road taxes assessed by the County of Hancock and from the performance of labor on roads outside of the corporate limits of said town.

SECTION 38. PAVEMENTS.

If the owner or occupant of any sidewalk, footway or gutter, or of the real property next adjacent thereto, shall fail or refuse to curb, pave or keep the same clean, and in repair, in the manner, or within the time required, by council it shall be the duty of the council to cause the same to be done at the expense of the town, and to assess the amount of such expense upon the owner or occupant, and the same may be collected by the Sergeant in the manner herein provided for the collection of town taxes. Upon the petition, in writing, of the persons owning the three quarter part of the lots fronting on or abounding on both sides of any street, or between a cross street and an alley, the council, by a majority of not less than two-thirds of all of the members, constituting said body, shall be authorized to order such part of any street or alley to be paved, between the sidewalks, with cobble stones, bricks or other suitable material, and a sewer to be constructed therein from one of such cross streets or alleys to the other, or to have the paving done without the construction of a sewer or a sewer constructed without such paving, under such regulations as it shall direct by ordinance, upon the lowest and best terms to be obtained by advertisement for bids or proposals therefore; and two-thirds of the cost of such paving, together with the cost of such sewer, or the cost of such sewer, when constructed without such paving shall be assessed to the owners of the lots, or fractional parts of lots abutting or

CHARTER OF THE TOWN OF NEW CUMBERLAND

Abounding on that part of the street or alley so paved or sewered, in proportion to the distance so abutting or abounding on that part of the Street or alley so paved or sewered in proportion to the distance so abutting or abounding owned by each. The one-fourth shall be paid within thirty days after the completion of the work, and the remainder in three equal installments payable respectively at such times as the council may by ordinance fix, at the time of letting the contract for such work. The other one-third of the cost of said paving shall be born by the town. The intersection of streets, or of streets and alleys, paved or provided with sewer under this section, shall be correspondingly paved and sewered by council at the sole expense of the town. The sum or sums of money so assessed for paving or construction of sewers shall be a lien upon lots or fractional parts of lots upon which they are assessed, which lien may be enforced by suit in equity in any court having jurisdiction thereof, or the same or any installment thereof, may be collected by a suit at law, before any court or Justice of the Peace having jurisdiction thereof. All provisions of Chapter 174 of the Acts of 1872, and Chapter 34, of the acts of 1879, inconsistent with the act are hereby repealed.

APPROVED MARCH 7TH, 1891

An ordinance to adopt Chapter ninety-two Acts of the Legislature, passed February seventeenth, 1897, entitled "An Act to amend and reenact Sections one and thirteen of Chapter forty-seven of the Code of West Virginia".

Be it ordained and enacted by the Council of the Town of New Cumberland, and it is hereby ordained and enacted by authority of the same.

Section 1.

That chapter ninety-two of the acts of the Legislature passed February seventeenth, 1897, being an act entitled "An Act to amend and re-enact sections one and thirteen of chapter forty-seven (47) Code of West Virginia." Be and the same is hereby adopted as an amendment to, and made a part of the Charter of New Cumberland and

Section 2.

Be it further ordained that chapter ninety-two as aforesaid be spread upon the minutes and that this ordinance shall be in full force and effect from the date of its passage.

The chapter from Code referred to is as follows--Chapter 92, an act to amend and re-enact sections one and thirteen of the chapter forty-seven of the Code of West Virginia (passed February 17, 1897, in effect ninety days from its passage, approved February 19, 1897.)

Be it enacted by the Legislature of West Virginia--that sections one and thirteen of chapter forty-seven of the Code of West Virginia, be amended and re-enacted so as to read as follows;

1--

The cities, town and villages in this State, heretofore established under the laws of the State of West Virginia or of this State shall remain subject to the law now in force and applicable thereto, respectively, and the provisions hereinafter contained in this chapter, shall be deemed applicable only to cities, town, and villages, hereafter established, except that the municipal authorities, of cities, town, or villages, heretofore established, other than the City of Wheeling, may exercise the powers conferred by this chapter, although the same may not be conferred by their charter, and so far as this chapter confers power upon the municipal authorities of a city, town or village other than said City of Wheeling, not conferred by the charter of any city, town or village, the same shall be deemed as an amendment to said charter. Any city, town or village

CHARTER OF THE TOWN OF NEW CUMBERLAND

in this State incorporated by special act of the legislature of Virginia, or of this State, and exercising the power conferred by this chapter, may by ordinance of the council of said city, town or village adopt this chapter, and thereafter the same officers shall be elected or appointed as are provided for by this chapter.

13--

The municipal authorities of said city, town or village, shall be a Mayor, Recorder, and the Councilmen who together shall form a Common Council, where the said city, town or village has not been divided into wards there shall be at least five councilmen but when the said city, town or village has been divided into wards, the Council may by ordinance determine the number of Councilmen to be selected from each ward. And when it is deemed necessary, the council may by ordinance increase the number of wards and change the boundaries thereof, the said wards to be made as nearly equal as may be in territory and population and when such city, town or village shall be divided into wards, or there shall be an increase in the number of wards as aforesaid, the council may increase the number of wards as aforesaid, the council may increase the number of councilmen and direct an election to be held in such ward as may have its full number residing therein and to give to each ward, equal representation in the council, and may by ordinance, provide for said election and prescribe the terms of office of all of the councilmen necessary to be elected. Provided that no such term of office shall exceed two years. No person shall be qualified to hold the office of Mayor, Recorder, or Councilman of such city, town or village, unless he is a legal voter and was qualified to hold the office of Mayor, Recorder, or Councilman of such city, town or village, unless he is a legal voter and was for the preceding year, assessed with and paid taxes upon at least one hundred dollars worth of real or personal property therein.

PROPOSED CHANGES OF TOWN CHARTER OF NEW CUMBERLAND

Sec. 40: It shall be the duty of the mayor, recorder, and council, in office at the time of the time of submission of the changes in the chapter to the voters, to perform all the duties in relation to holding such election as required by the general laws in holding municipal elections.

Sec. 41: If this act be adopted by the majority of the votes cast at said election then the mayor, recorder, and councilmen in office at the time of the adoption shall hold an election as made and provided in section four of this act, for the purposes of electing a mayor, recorder, and six councilmen, and the designation by lot the councilmen selected for the two year and four year terms as provided in section five, as to the two year and four years terms of councilmen.

Sec. 42: During the interim between the time when this act shall take effect and its adoption by the votes cast at a special election for ratification or rejection, the present officers of the town shall have and exercise the same authority as made and provided in the old charter. On and after the second Tuesday in July, one thousand nine hundred thirty-five, all officers elected on the second Tuesday in June, one thousand nine hundred thirty-five, shall take office, after qualifying, and all officers elected March eleven, one thousand nine hundred thirty-five, shall terminate, unless reelected under the provisions of this act.

Sec. 43: The town council may by ordinance or ordinances adopt any sections now in the state municipal code, or that hereafter may be adopted as a part of the said state municipal code.

Sec. 44: All ordinances, by-laws, resolution, and rules of the town of New Cumberland in force at the time of the passage of this act and the adoption thereof by the votes so cast in its ratification, which are not inconsistent therewith shall be and remain in full force and effect, until amended or repealed by the council of said town.

Sec. 45: All acts and parts of acts in conflict and inconsistent with this act are hereby repealed. If any clause, paragraph, or section of this act should be de-

April 2, 1957

Council met in regular session with Mayor Albert Fucy presiding. Councilmen present were Gilmer, Nardo, Vulgamore, and Katzenmeyer.

Minutes of the previous meeting were read and approved.

Pursuant to the motion made and unanimously adopted on the 7th day of February, 1957, a public hearing was held in the City Hall on the 25th day of March 1957 at 7:30 p.m., after the same had been advertised in the Independent and the Hancock County Courier, two local newspapers, as provided by law. At said public hearing, a number of citizens attended but no objection in writing was filed. Therefore, the said amendment shall become operative on and after the 8th day of April, 1957.

Attest:

City Clerk

Mayor Albert Fucy

NOTICE: TO THE VOTERS OF THE CITY OF NEW CUMBERLAND:

Notice is hereby given that a public hearing will be held in the City Building, Jefferson St., New Cumberland, West Virginia, on the 25th day of March, 1957 at 7:30 p.m. for the purpose of amending the town charter to eliminate the necessity of electing a recorder.

At said hearing, the proposed amendment will be considered and any elector of the city may appear and file objections, in writing. If no objections are filed, the said amendment shall become operative on and after the 8th day of April, 1957.

New Cumberland City Council
by Albert Fucy, Mayor

Attest: Mary Lou Wagner, Recorder
Sub. Feb. 21, 28, Mar. 7, 1957.

Mayor Albert Fucy issued his proclamation that the election be held on Tuesday, June 11, 1957.

Motion by Gilmer, seconded by Katzenmeyer, that the the City of New Cumberland, adopt Daylight Savings Time, April 28, 1957 to September 28, 1957. Motion carried.

Under discussion were delinquent water bills. Council ordered delinquent bills be collected with no adjustments to be made. If turned in for collection, six per cent interest to be added to the bills.

Motion by Nardo, seconded by Katzenmeyer that the bills be paid. Motion carried. Council adjourned.

Mary Lou Wagner, City Clerk

February 7, 1957

The council of the City of New Cumberland met in a continued session with Mayor Fuccy presiding. The following councilmen were present: Gilmer, Nardo, Chaney, Katzenmeyer and Vulgamore.

Motion by Katzenmeyer, seconded by Nardo, that effective March 1, 1957 the offices of Town Sergeant, Water Superintendent be eliminated and done away with and the duties of the same be assumed by the Recorder. The Recorder shall have quarters in the City Building which he/she shall keep open from 9 a.m. to 5 p.m., Monday through Friday, inclusive; Saturday, 9 to noon. The Recorder, shall effective, March 1, 1957, be known as City Clerk as well as Recorder and shall receive a monthly salary of \$200.00 per month, effective March 1, 1957. Motion carried unanimously.

Motion by Vulgamore, seconded by Chaney, that the rules be suspended for the purpose of amending and re-enacting Section 3 of the Town Charter. Motion unanimously carried.

Motion by Katzenmeyer, seconded by Vulgamore that Sections 3 and 5 of the Town Charter of New Cumberland be amended and re-enacted to read as follows:

Officers - Sec. 3. The officers of said town shall be Mayor and two councilmen from each ward. The Mayor shall be elected by the qualified voters of the town and the councilmen by the qualified voters of the respective wards. The other officers shall be appointed by council but office of Mayor shall not be incompatible with any of the appointive offices. All the appointive offices, in so far as possible, may be held in whole or in part by the Mayor.

No person shall be eligible to any elective office unless he is a legal voter and was for the preceding year assessed with and paid taxes upon at least \$100.00 worth of real estate therein.

Motion unanimously carried.

Legal notice to be published February 21 and 28, and March 7th, 1957, for a public hearing.

Council recessed.

Mary Lou Warner, Recorder

ORDINANCE NO. 0-282

AN ORDINANCE TO SET SALARY FOR COUNCIL FOR THE CITY OF NEW CUMBERLAND.

Be it ordained by the governing body of the City of New Cumberland, West Virginia, to be effective July 1, 2001.

The council shall received the sum of \$100.00 per month not to exceed \$100.00 on any one month or \$1,200.00 per annum.

To receive such salary the councilman must attend at least on meeting a month.

Motion to accept this ordinance made by councilman Blackwell

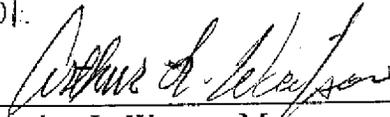
Second by councilman Oldaker

Passed council 4 to 2

First Reading: January 8, 2001

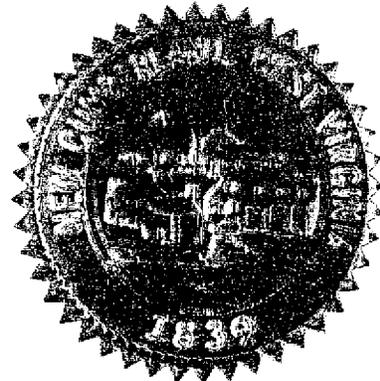
Second Reading: February 5, 2001

Dated this 5th day of February, 2001.


Arthur L. Watson, Mayor

Attest:


Tamera M Jenkins, City Clerk



ORDINANCE NO. 0-682

AN ORDINANCE TO SUBMIT TO A VOTE A CHANGE IN THE CHARTER CONCERNING MAYOR'S SALARY-SECTION 16-PAGE 5 OF THE CHARTER OF THE CITY OF NEW CUMBERLAND.

Be it ordained by the governing body of the City of New Cumberland, West Virginia, to be effective July 1, 2001.

The mayor shall receive the sum of \$200.00 per month not to exceed, \$200.00 in anyone month or \$2,400.00 per annum. Such salary shall be in lieu of the fees which would otherwise accrue to the mayor in proceedings for the enforcement of ordinances, but all such fees shall be collected, when practicable and accounted for to the town.

Motion to accept this ordinance made by councilman Hartung

Second by councilman Blackwell

Passed council 6 to 0

First reading: January 8, 2001

Second reading: February 5, 2001

Dated this 5th day of February, 2001.

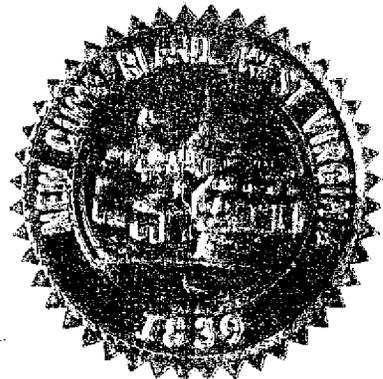
Arthur L. Watson
Arthur L. Watson
Mayor

Attest:

Tamera M. Jenkins
Tamera M. Jenkins
City Clerk

This ordinance has been _____ at
the next election falls

Final Count, Favorable _____ opposed _____



ORDINANCE 0-185
REDISTRICTING

TO REVISE CHAPTER 48-SECTIONS 5 AND 8 OF CITY CHARTER

WHEREAS, to comply with state law governing the balance of precincts according to population; and

WHEREAS, to cooperate with county boundaries by making no changes in boundary lines; and

WHEREAS, to change our wards in compliance with our City Charter by decreasing the number of wards;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF NEW CUMBERLAND, WEST VIRGINIA:

1. Pursuant to Chapter 3, Article 1, Section 6 of the Election Laws of the State of West Virginia to follow as nearly as possible the boundaries of the County elections by:
 - A. Unifying Ward I (Precinct 12) and Ward II (Precinct 13) to make One Ward that will be known in all City Elections as WARD I.
 - B. By making no changes to the existing Ward III (Precinct 14) other than having it known in all City Elections as WARD II.
2. The Mayor's term will remain a two year term.
3. Council seats would be set up to provide Six Council members:
 - A. Three (3) Council Seats from WARD I
 - B. Three (3) Council Seats from WARD II
4. The committee set up to be as follows:
 - A. One council member from each ward for each working committee in the City of New Cumberland.
 - B. Two citizen members from each ward for each working committee in the City of New Cumberland.

This would provide Six members to each committee (Two council and Four citizen). The mayor would have the authority to increase or decrease councilmembers and/or citizens members to each committee as he deems necessary.

5. The Ordinance shall be effective immediately upon passage beginning with the May, 1985 Election.

Duly adopted and enacted on 6th day of May, 1985.

First reading: April 1, 1985

Second reading: May 6, 1985

Motion to accept this ordinance made by Councilman Harris

Seconded by Councilman Pettit.

Passed council 6 to 0.

Dated this 6th day of May, 1985.



Mayor, City of New Cumberland

Attest:



City Clerk

ORDINANCE NO. 0-582

AN ORDINANCE TO SUBMIT TO A VOTE FOR A CHANGE IN THE CHARTER CONCERNING TERMS OF OFFICE-SECTION 5-PAGE 2 OF THE CHARTER OF THE CITY OF NEW CUMBERLAND.

The term of the office of mayor shall be for four years, beginning the first day of July at 12:01 a.m. one thousand nine hundred eighty three and continuing until his successor is elected and qualified.

Councilmen terms shall remain unchanged as provided in Section 5-Page 2 of the Charter of the City of New Cumberland.

Motion to accept this ordinance made by Councilman Richard Huggins.

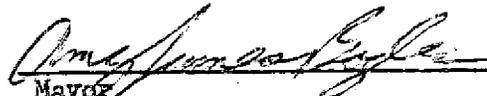
Seconded by Councilman Alan Pettit.

Passed council 5 to 0.

First reading: December 6, 1982

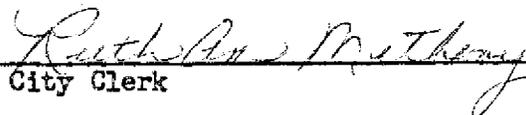
Second reading: January 3, 1983

Dated this 3rd day of January, 1983.



Mayor
City of New Cumberland

Attest:



City Clerk

*Rejected
Election 1983!*

ORDINANCE NO. O-682

AN ORDINANCE TO SUBMIT TO A VOTE A CHANGE IN THE CHARTER CONCERNING MAYOR'S SALARY-SECTION 16-PAGE 5 OF THE CHARTER OF THE CITY OF NEW CUMBERLAND.

The mayor shall receive the sum of \$ 40.00 per meeting not to exceed, \$ 40.00 in anyone month or \$ 480.00 per annum. Such salary shall be in lieu of the fees which would otherwise accrue to the mayor in proceedings for the enforcement of ordinances, but all such fees shall be collected, when practicable and accounted for to the town.

To receive such salary the mayor must attend at least one meeting a month.

Motion to accept this ordinance made by Councilman Richard Huggins .

Seconded by Councilman Donna Arbogast .

Passed council 5 to 0 .

First reading: December 6, 1982

Second reading: January 3, 1983

Dated this 3rd day of January, 1983

Army James Taylor
Mayor
City of New Cumberland

Attest:

Ruth Ann Matthews
City Clerk

CITY OF NEW CUMBERLAND

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the City of New Cumberland does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the Recorder at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Recorder not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the Recorder at the front door or bulletin board of the City Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

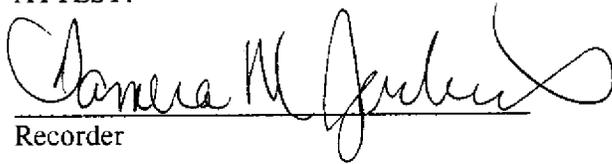
These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 7th day of June, 2004.



Mayor

ATTEST:



Recorder

CITY OF NEW CUMBERLAND



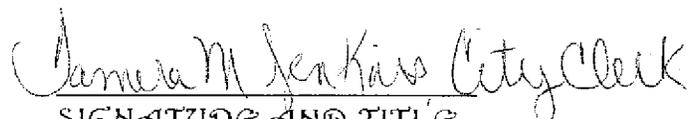
P.O. Box 505 • New CUMBERLAND, WEST VIRGINIA 26047 • (304) 564-3383 • FAX (304) 564-3777

OATH OF OFFICE

I, Arthur L. Watson do hereby solemnly vow that I will support the constitution of the United States, the Constitution of the state of West Virginia, and that I will faithfully discharge the duties of Mayor of the City of New Cumberland, West Virginia, beginning 12:00 a.m., July 1, 2001, to the best of my skill and judgement, so help me God.

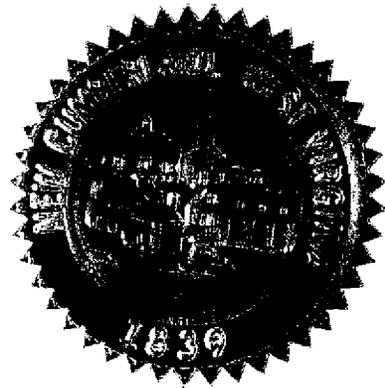

SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 2nd day of July 2001.

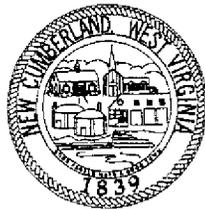

SIGNATURE AND TITLE

Attest:


SIGNATURE AND TITLE



CITY OF NEW CUMBERLAND



P.O. Box 505 • New CUMBERLAND, West VIRGINIA 26047 • (304) 564-3383 • FAX (304) 564-3777

OATH OF OFFICE

I, TAMERA M. JENKINS DO HEREBY SOLEMNLY VOW THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF THE STATE OF WEST and Recorder VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF CITY CLERK OF THE CITY OF NEW CUMBERLAND, WEST VIRGINIA, BEGINNING 12:00 A.M., JULY 1, 2001, TO THE BEST OF MY SKILL AND JUDGMENT, SO HELP ME GOD.

A handwritten signature in cursive script, reading "Tamera M. Jenkins".

SIGNATURE OF OFFICIAL
CITY CLERK AND RECORDER

TAKEN, SWORN TO AND SUBSCRIBED BEFORE THE UNDERSIGNED AUTHORITY THIS 1ST DAY OF JULY, 2001.

A handwritten signature in cursive script, reading "Arthur Y. Watson Mayor".

SIGNATURE AND TITLE

ATTEST:

A handwritten signature in cursive script, reading "Richard D. Blechwell Councilor".

SIGNATURE AND TITLE



CITY OF NEW CUMBERLAND



P.O. Box 505 • New CUMBERLAND, West VIRGINIA 26047 • (304) 564-3383 • FAX (304) 564-3777

OATH OF OFFICE

I, CORINNE SHREVE DO HEREBY SOLEMNLY VOW THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF COUNCILMAN OF THE CITY OF NEW CUMBERLAND, WEST VIRGINIA, BEGINNING 1:00 P.M., JULY 1, 2003, TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

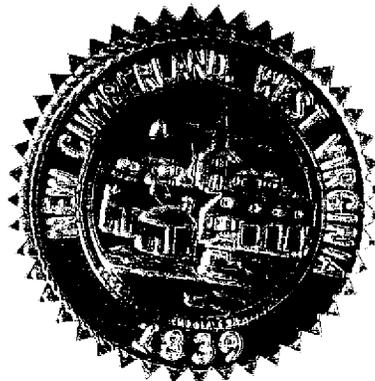
Corinne Shreve
SIGNATURE OF OFFICIAL

TAKEN, SWORN TO AND SUBSCRIBED BEFORE THE UNDERSIGNED AUTHORITY THIS 1ST DAY OF JULY, 2003.

Arthur D. Whitson Mayor
SIGNATURE AND TITLE

ATTEST:

Danica M. Seubert
SIGNATURE AND TITLE
City Clerk



CITY OF NEW CUMBERLAND



P.O. Box 505 • New Cumberland, West Virginia 26047 • (304) 564-3383 • FAX (304) 564-3777

OATH OF OFFICE

I, Howard Hartung do hereby solemnly vow that I will support the constitution of the United States, the Constitution of the state of West Virginia, and that I will faithfully discharge the duties of Councilman of the City of New Cumberland, West Virginia, beginning 12:00 a.m., July 1, 2001, to the best of my skill and judgement, so help me God.

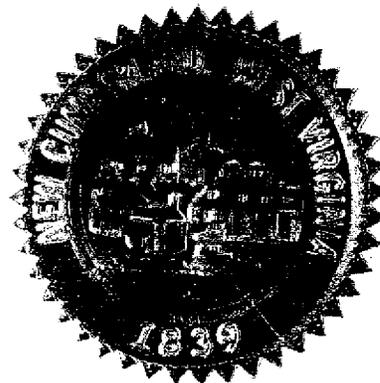
Howard F. Hartung
SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 2nd day of July 2001.

Danica M. Jenkins City Clerk
SIGNATURE AND TITLE

Attest:

Arthur J. Watson
SIGNATURE AND TITLE



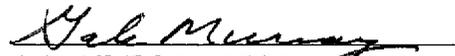
CITY OF NEW CUMBERLAND



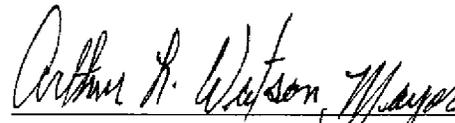
P.O. Box 505 • New Cumberland, West Virginia 26047 • (304) 564-3383 • FAX (304) 564-3777

OATH OF OFFICE

I, GALE MURRAY DO HEREBY SOLEMNLY VOW THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF COUNCILMEN OF THE CITY OF NEW CUMBERLAND, WEST VIRGINIA, BEGINNING 1:00 P.M., JANUARY 15, 2004, TO THE BEST OF MY SKILL AND JUDGMENT, SO HELP ME GOD.

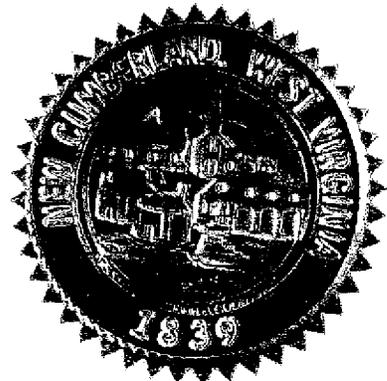

SIGNATURE OF OFFICIAL

TAKEN, SWORN TO AND SUBSCRIBED BEFORE THE UNDERSIGNED AUTHORITY THIS 15TH DAY OF JANUARY, 2004.


SIGNATURE AND TITLE

ATTEST:


SIGNATURE AND TITLE



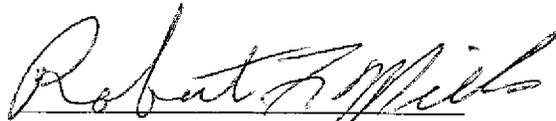
CITY OF NEW CUMBERLAND



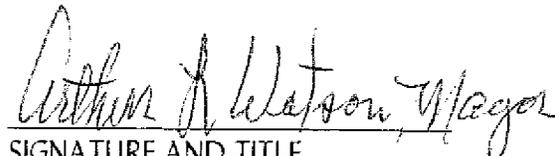
P.O. Box 505 • New Cumberland, West Virginia 26047 • (304) 564-3383 • FAX (304) 564-3777

OATH OF OFFICE

I, ROBERT MILLS DO HEREBY SOLEMNLY VOW THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF COUNCILMAN OF THE CITY OF NEW CUMBERLAND, WEST VIRGINIA, BEGINNING 12:00 A.M., JULY 1, 2003, TO THE BEST OF MY SKILL AND JUDGMENT, SO HELP ME GOD.


SIGNATURE OF OFFICIAL

TAKEN, SWORN TO AND SUBSCRIBED BEFORE THE UNDERSIGNED AUTHORITY THIS 1ST DAY OF JULY, 2003.


SIGNATURE AND TITLE

ATTEST:


SIGNATURE AND TITLE



CITY OF NEW CUMBERLAND



P.O. Box 505 • New CUMBERLAND, WEST VIRGINIA 26047 • (304) 564-3383 • FAX (304) 564-3777

OATH OF OFFICE

I, JAMES E. LYONS DO HEREBY SOLEMNLY VOW THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF COUNCILMAN OF THE CITY OF NEW CUMBERLAND, WEST VIRGINIA, BEGINNING 1:00 P.M., JULY 1, 2003, TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

James E. Lyons
SIGNATURE OF OFFICIAL

TAKEN, SWORN TO AND SUBSCRIBED BEFORE THE UNDERSIGNED AUTHORITY THIS 1ST DAY OF JULY, 2003.

Arthur H. Watson Meyer
SIGNATURE AND TITLE

ATTEST:

Janice M. Adams
SIGNATURE AND TITLE
City Clerk



CITY OF NEW CUMBERLAND



P.O. Box 505 • New Cumberland, West Virginia 26047 • (304) 564-3383 • FAX (304) 564-3777

OATH OF OFFICE

I, Richard Blackwell do hereby solemnly vow that I will support the constitution of the United States, the Constitution of the state of West Virginia, and that I will faithfully discharge the duties of Councilman of the City of New Cumberland, West Virginia, beginning 12:00 a.m., July 1, 2001, to the best of my skill and judgement, so help me God.

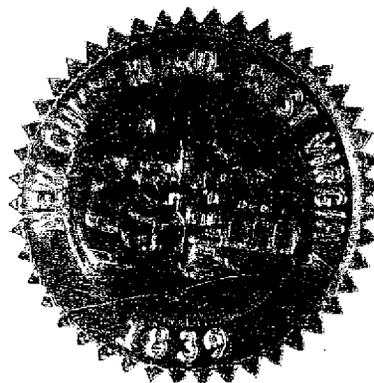
Richard Blackwell
SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 2nd day of July 2001.

Jamela M. Perkins City Clerk
SIGNATURE AND TITLE

Attest:

William L. Adams
SIGNATURE AND TITLE



CITY OF NEW CUMBERLAND

ORDINANCE #04-005

AN ORDINANCE INCREASING THE RATES, FEES AND CHARGES FOR SERVICE FOR CUSTOMERS OF THE SEWAGE SYSTEM OF THE CITY OF NEW CUMBERLAND.

THE COUNCIL OF THE CITY OF NEW CUMBERLAND HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for municipal sewage services provided to all general domestic, commercial, and industrial users and customers of the City of New Cumberland, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

SCHEDULE I

SECTION 1. SCHEDULE OF RATES AND CHARGES

APPLICABILITY

Applicable to the entire territory served, which is totally within the corporation limits of the City of New Cumberland.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial (except unusual industrial waste) service.

RATES

First 2,000 gallons used per month - \$ 17.80
Every additional 1,000 gallons used per month - \$ 8.90

MINIMUM CHARGE

No bill will be rendered for less than \$17.80 per month (Based on 2,000 gallons).

TAP FEE

\$250.00 will be charged per tap.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten-percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to only be collected once for each bill where it is appropriate.

LEAK ADJUSTMENT INCREMENT

66¢ per 1,000 gallons

To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate is used to calculate consumption above the customer's historical average usage.

RETURNED CHECK CHARGE

If a check received is returned by the bank for any reason, the bank's charge to the City shall be the City's charge to the customer for such returned check and under no circumstances shall the fee collected by the City exceed \$20.00.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE CITY'S SANITARY SEWER SYSTEM

Where the City has discovered that a customer's roof drain, down spouts, storm sewer or other similar facilities conducting surface water have been connected to the City's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the City in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times .0006233 \times C$$

- S - The surcharge in dollars
- A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet
- R - The measured monthly rainfall, in inches
- .0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water
- C - The City's approved rate per thousand gallons of metered water usage

The City shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

C_i = charge to unusual users per year

V_o = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

V_i = volume of waste water from unusual users, in gallons per year

B_o = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per year

B_i = weight of BOD from unusual users, in pounds per year

S_o = average unit costs of treatment (including sludge treatment chargeable to total solids, in dollars per pound

S_i = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing material which, in judgement of the City, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge thereof, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the City records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the City, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

Comment - Not part of the rate schedule:

This schedule is included on an if-and-when basis.

SECTION 2. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 3. EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective forty-five (45) days after final enactment hereof, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Hancock County Courier and the Weirton Daily Times, qualified newspapers of general circulation in the City of New Cumberland, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on Monday, May 3, 2004, at 5:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the Recorder, City Hall, 104 North Court Street, New Cumberland, West Virginia.

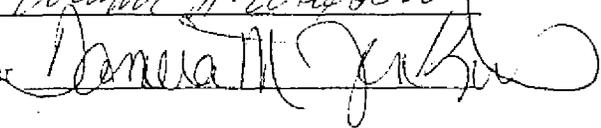
First Reading: April 8, 2004

Second Reading: MAY 3, 2004

CITY OF NEW CUMBERLAND, a municipal corporation

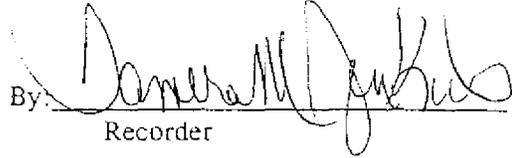
Mayor

Recorder

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of New Cumberland held on April 8, 2004, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of New Cumberland at the City Hall, 104 North Court Street, New Cumberland, West Virginia, on Monday, May 3, 2004, at 5:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Recorder in the City Hall, New Cumberland, West Virginia during regular office hours.

By: 
Recorder

ORDINANCE NO. 94- 003

An Ordinance Increasing Water Service Fees In The City of New Cumberland

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF NEW CUMBERLAND:

Comes the Council of the City of New Cumberland and hereby enacts the following Ordinance setting water service fees:

Section 1. Definitions. As used in this ordinance, unless the context otherwise requires:

(a) "Person" shall mean and include any individual, firm or co-partnership, joint adventure, association, corporation, trust, or any other group or combination acting as a unit.

(b) "Consumer" shall mean any person eligible for water service by the City of New Cumberland.

Section 2. Imposition of Fees. There is hereby levied and shall be collected monthly fee upon any person receiving water service from the City of New Cumberland.

Section 3. Computation of Rates. The rate imposed by this ordinance shall become due at the end of each month. The fee for this service shall be based upon the number of gallons used per month. The rates for water service shall be as follows:

- 1) \$2.00 per thousand for use up to 2,000 gallons.

- 2) \$1.31 per thousand for the next 198,000 gallons.
- 3) \$1.06 per thousand gallon for use over 200,000 gallons.
- 4) A minimum monthly charge of \$4.00 for all meter sizes.
- 5) A \$15.00 reconnection fee.

Section 4. Payment. Every remittance of the fee imposed by this ordinance shall be made by bank draft, certified check, money order, or certificate of deposit, to the water clerk/sewage clerk who will place the money into the city's water account to be kept and accounted for as provided by law.

Section 5. Penalty for Non-Payment.

a) Any account not paid in full within twenty (20) days from the date of the bill, ten percent (10%) will be added to the amount due. This delayed payment penalty is not interest and is only collected once for each bill where it is appropriate. If such a failure is due to reasonable cause, the city council may waive or remit in whole or in part the penalties prescribed by this section.

Section 6. Administration and Enforcement. The administration of this ordinance is vested in, and shall be exercised by, the city clerk, who shall prescribe forms and reasonable rules in conformity with this ordinance for making the rules of fees and for the ascertainment, assessment and collection of the tax imposed hereunder. The city attorney shall render any necessary assistance to the city clerk in the enforcement of this ordinance.

Section 7. Severability. The provisions of this ordinance are severable and if any provision or part hereof shall be held invalid for any reason, such invalidity shall not affect or impair any of the other provisions or parts of this ordinance. It is hereby declared to be the intent of council that this ordinance would have been adopted if such invalid provision or part hereof had not been included herein.

Section 8. Effective Date. This ordinance shall become effective on the 1st day of July, 1994.

Section 9. Ordinance Procedure.

(1) This Ordinance shall be read at not less than two (2) meetings, with at least one (1) week intervening between such meeting:

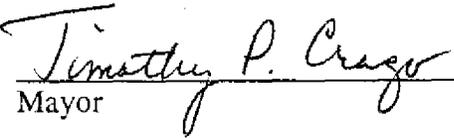
(2) At least five (5) days before the meeting at which such ordinance is finally adopted the governing body shall cause notice of the proposed adoption of said ordinance to be published in at least one newspaper of general circulation in said city to at least one publication, stating the subject matter of such ordinance and the time and place of the proposed final note on adoption, and as well the place or places within the city where such ordinance may be inspected by the public.

(3) This ordinance shall not be finally passed until after three (3) days from the date of publication and until all interested parties have been given an opportunity to attend a meeting of the council and be heard with respect to such ordinance.

First reading: March 7, 1994

Second reading: April 4, 1994

Effective Date: July 1, 1994



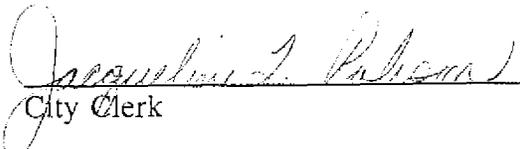
Mayor

Approved as to form:



City Attorney

Attest:



City Clerk

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
AT CHARLESTON

Entered: August 31, 1994

CASE NO. 94-0190-S-CN

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.

Application for a certificate of convenience and necessity to construct a .18MGD secondary sewage treatment facility at New Cumberland, Hancock County, and for approval of financing and rates and charges incidental thereto.

CASE NO. 94-0319-S-MA

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.

Investigation and suspension of increase in sewer rates and charges, as a result of a petition filed in accordance with West Virginia Code §24-2-4b.

RECOMMENDED DECISION

CASE NO. 94-0190-S-CN

On March 14, 1994, the City of New Cumberland (City), a municipal corporation, Hancock County, filed an application, duly verified, for a certificate of convenience and necessity to construct a .18MGD secondary sewage treatment plant using the sequential batch reactor process at New Cumberland, Hancock County. This application was designated as Case No. 94-0190-S-CN.

The City estimated that construction will cost approximately \$2,331,219, and would be financed through a HUD Small Cities Block Grant in the amount of \$154,816; an Environmental Protection Agency Grant in the amount of \$1,170,070; and a West Virginia Water Development Authority Loan in the amount of \$1,006,333. The City proposed that the rates and charges for the project be: \$16.17 per 1,000 gallons for the first 2,000 gallons and \$3.59 for each additional 1,000 gallons. A minimum sewage charge of \$32.34 would be applicable for usage under 2,000 gallons.

By Order entered March 14, 1994, the City was directed to give notice of the filing of the application by publishing a copy of the March 14, 1994 Order, once in a newspaper, duly qualified by the

Secretary of State, published and of general circulation in the City of New Cumberland, making due return to the Commission of proper certification of publication immediately after publication. The notice further provided that anyone desiring to make objection to the application must do so, in writing, within thirty (30) days after the publication of the notice, to P. O. Box 812, Charleston, West Virginia. The order provided that, if no protests are received within the 30-day period, the Commission may waive formal hearing and grant the City's application, based upon the evidence submitted with the application.

On March 25, 1994, the District provided a copy of the bid specifications, plans and the approval letter from the Division of Environmental Protection.

On March 28, 1994, the Commission received an affidavit of publication indicating that the Notice of Filing was published in the Hancock County Courier, a newspaper published in the City of New Cumberland, West Virginia, on March 24, 1994.

On March 28, 1994, Commission Staff filed its Initial and Final Joint Staff Memorandum. Staff noted that the City had not filed a copy of its ordinance indicating that the City's proposed rates had been adopted.

By Order issued April 4, 1994, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before October 9, 1994.

CASE NO. 94-0319-S-MA

On April 4, 1994, the City of New Cumberland, a municipal corporation, adopted an ordinance increasing its rates and charges for sewer service to its customers to become effective July 1, 1994. Public notice of the proposed adoption by the City of New Cumberland of the ordinance amending the New Cumberland City Code and its tariff pertaining to sanitary sewer service rates and charges was published on March 30, 1994 in the Herald Star, a newspaper published and of general circulation in Hancock County. The notice advised that copies of the proposed ordinance would be available for inspection in the Office of the City Clerk in the City Building and that any interested parties may appear and be heard at the meeting on April 4, 1994, at 7:00 p.m., in the Council Chambers of the New Cumberland City Building.

On April 18, 1994, the Commission received a petition in opposition to the City of New Cumberland's sewer rate ordinance signed by approximately 38% of the City's customers, sufficient to generate a municipal appeal and Commission review of the rate ordinance. This filing was designated as Case No. 94-0319-S-MA.

By Order entered on April 25, 1994, the Commission invoked jurisdiction over the City's sewer rate ordinance pursuant to the provisions of West Virginia Code §24-2-4b and suspended the use of the rates contained in the ordinance until 12:01 a.m., October 30, 1994, to enable the Commission to investigate the proposed rates. Commission

Staff was ordered to submit a report on the rates by August 12, 1994, and his matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before September 30, 1994.

On May 6, 1994, the City of New Cumberland filed a petition for an emergency rate increase to be collected during the pendency of this proceeding.

By Order issued on May 16, 1994, the undersigned was appointed to review and decide this matter.

By Interim Recommended Decision issued on June 6, 1994, the undersigned denied the City's request for an emergency rate increase.

By Procedural Order issued June 6, 1994, Case Nos. 94-0190-S-CN and 94-0319-S-MA were consolidated for decision and set for hearing to be held on August 18, 1994. The City was directed to give notice by publication of the scheduled hearing.

On July 5, 1994, the Commission received a copy of the bids for construction of the waste water treatment plant indicating that the responsible bid is approximately \$5,000 over the engineer's estimate.

On August 10, 1994, the Commission received an affidavit of publication indicating that the notice of hearing was published on July 28, 1994, and August 4, 1994, in the Hancock County Courier, a newspaper published in the City of New Cumberland.

On August 12, 1994, Staff filed its recommendation regarding the certificate application. Staff indicated that the total construction cost of the project is \$2,331,219 and that the project is to be funded through a HUD Small Cities Block Grant in the amount of \$154,816; an EPA Grant in the amount of \$1,170,070 and a West Virginia WDA Loan in the amount of \$1,006,333. Staff advised that, on April 4, 1994, the City adopted an ordinance increasing its sewer rates for the proposed project but that protests were received. The Commission invoked its jurisdiction pursuant to West Virginia Code §24-2-4b and suspended the rates and charges proposed by the City. Staff noted in its review of the certificate application that the City has entered into a Consent Decree with the Division of Environmental Protection for improving the effluent characteristics of the City's treatment system; that DEP has informed the City that construction must begin by September 30, 1994, or all remaining federal funds will be terminated; that the engineer's original cost estimate was \$1,885,250; that the City has received a proposed bid of \$1,890,000 from the Merit Construction Company, which is \$4,750 over estimate; and that Staff has received a copy of the City's modified NPDES Permit and concurs with the technical review. Staff's engineer recommended that the construction contract be awarded to the lowest bidder, Merit Construction Company, and that the \$4,750 cost overrun be provided from the project contingency. Staff recommended approval of the application and advised that a review of the rates and financial aspects of the project will be provided in Case No. 94-0319-S-MA.

Also, on August 12, 1994, Commission Staff filed its reports regarding the municipal appeal, Case Nos. 94-0319-S-MA. These reports consist of an engineering allocation factors for class cost of service study report, a class cost of study and revenue requirements report and a Staff Rule 42 Exhibit.

The hearing convened as scheduled on August 18, 1994. Appearing on behalf of the Applicant was Lawrence L. Manypenny, Esquire. Appearing on behalf of Commission Staff was Ronald Robertson, Esquire. No persons wished to intervene in the matter. Briefing was waived by the City and Commission Staff.

On August 24, 1994, the Commission received correspondence on behalf of the City providing corrections to the transcript.

EVIDENCE

The first person to testify on behalf of the City was Craig K. Bower, Vice President of KLH Engineers. (Tr., pp. 6-7). Mr. Bower has been the lead engineer on the project and project manager in charge of the design of the sewer treatment plant facilities. (Tr., p. 8). Mr. Bower explained that West Virginia law requires that the City treat its sewage differently than it previously had and the design of the new system will help eliminate any potential health hazards in the area. (Tr., p. 8). Merit Construction Company has provided the lowest bid which Mr. Bower feels is reasonable for the project. (Tr., p. 8).

Mr. Bower confirmed that the City has entered into a Consent Decree and a second amended Consent Decree outlining time periods for the City to complete a secondary sewage treatment plant. He also confirmed that the City had been advised that certain grant monies would be in jeopardy if construction did not commence for the project by September 30, 1994. (Tr., p. 9). The City explored a number of alternatives in treating its sewage before deciding to build a plant and Mr. Bower feels the plant will substantially serve all the residents of New Cumberland. (Tr., p. 9). The City of New Cumberland's sewage is presently disposed of in the Ohio River and untreated sewage can result in health hazards to downstream users. (Tr., pp. 9-10). Continuation of disposal of sewage in the Ohio River would be a violation of federal and state statutes by the City. (Tr., p. 10). Mr. Bower explained that the City's average daily flow is below 120,000 gallons per day. The new plant is designed for 180,000 gallons per day to allow for a modest expansion. The modular design of the system allows for growth in the area if the outlying community chooses to hook up to the system. (Tr., p. 13). Exhibits 1 and 2, which consisted of a second amended Consent Decree and a letter from the Division of Environmental Protection to the City of New Cumberland regarding the funding, were received into evidence. (Tr., p. 13).

The next person to appear on behalf of the City was Mark W. Bischoff. Mr. Bischoff is employed by Wiseman Hutzell Company, Accountants, Wheeling, West Virginia. (Tr., pp. 14-15). The firm was

hired by the City to prepare a Rule 42 Exhibit. (Tr., p. 15). Mr. Bischoff indicated that he had reviewed the City's Rule 42 and the three reports filed by Commission Staff on August 12, 1994. (Tr., pp. 15-16). Mr. Bischoff testified that the City accepts Staff's figures contained in the Staff Rule 42 Exhibit and accepts Staff's recommended rates and charges for this project, with regard to both the interim recommended rate and the permanent recommended rate. (Tr., p. 17). The interim rate is the rate to be charged during construction and the permanent rate is to be charged upon completion of the project and availability of service to all customers. (Tr., p. 17).

The first person to testify on behalf of Commission Staff was James W. Ellars, Staff Engineer in the Utilities Division of the Public Service Commission. Mr. Ellars' testimony was directed toward the certification of the project. (Tr., p. 20). Staff recommended approval of the certificate of convenience and necessity. Staff indicated that the Division of Environmental Protection has entered into Consent Decrees with the City. The Consent Decrees provide for a compliance schedule for the City, with the construction of the project to commence no later than September 30, 1994. (Tr., p. 21). Mr. Ellars confirmed that failure to initiate the contract prior to September 30, 1994, will result in grant termination for all remaining federal grants. The City presently has funds and commitments available to build the particular treatment plant. The commitments include a HUD Small Cities Block Grant in the amount of \$154,814,000; an Environmental Protection Agency Grant in the amount of \$1,170,070; and a West Virginia Water Development Authority Loan in the amount of \$1,633,000. (Tr., p. 22; Utilities Division's Memorandum received August 12, 1994).

Mr. Ellars confirmed that in excess of 55% of the funds for the sewage treatment facility are federal funds. Therefore, the City is subject to lose 55% of the funding for the construction of the facility if construction does not timely commence. (Tr., pp. 23-24). Mr. Ellars further explained that the original construction cost of the project was \$1,885,250 and the lowest bid for the project was \$1,890,000. The additional \$4,750 could be obtained from the project contingency. (Tr., p. 24; correspondence received August 24, 1994). Staff has reviewed the modified NPDES permit and concurs with the review of the DEP. The most recent permit modification number is West Virginia 0025119-A and was dated August 26, 1992. Mr. Ellars' recommendation filed August 12, 1994, concerning the certificate of convenience and necessity was received into evidence as Staff Exhibit No. 1. (Tr., p. 25).

The next person to testify on behalf of Commission Staff was Birdie Gandy, Utilities Analyst in the Water and Sewer Section of the Utilities Division of the Public Service Commission. Ms. Gandy prepared the Staff Rule 42 Exhibit which consisted of Staff's review of the City's books and records and its adjustments. (Tr., pp. 26-27). Ms. Gandy testified that she analyzed the City's expenses and revenues as compared with the City's annual report. She made a few adjustments to the accounts payable, posting errors, etc., and made going-level adjustments which reflect what would be expected to happen in the next twelve months. (Tr., p. 27).

The City's requested rates would produce an operating revenue of \$270,000, other income (interest income) of \$1,228, operating expenses of

\$136,000, payroll taxes of \$4,657, interest on a long-term debt of 70,000, and a bond retirement of \$16,000, leaving a surplus of \$43,935. Staff's Rule 42 Exhibit was marked and received into evidence as Staff Exhibit No. 2. (Tr., p. 31).

Mr. Ellars was recalled to the stand to sponsor Staff Exhibit No. 3 entitled "Engineering Allocation Factors for a Cost of Service Study" for the sewage plant project. (Tr., p. 37). Mr. Ellars explained that, as part of the cost of service allocation to ensure fair and equitable sewer rates for the customers throughout the City, Commission Staff must develop a set of allocation factors for each class of customers. The four classes were identified as residential, commercial, industrial and public authority. The allocation factors are based upon the commodity/demand method of water allocation that is published in the American Water Works Association Water Rate Manual. (Tr., p. 32). Certain costs are allocated to each of the customer classes based on a usage pattern. Maximum day and maximum hour costs are allocated to each class. With regard to sewer, a percentage must be derived for each customer class that would account for the amount of water that does not enter the sewer system. Without any actual flow data, that percentage must be estimated. In this instance, Staff has assumed that 90% of the water of all residential, industrial and public authority customers will enter the sewer system. Staff assumed that 95% of the water consumed by the commercial class of customers will enter the sewer system. The engineering allocations are used by the rate designer to determine the percentage of revenue to be obtained from each class of customer. The rate designer then allocates the total costs and matches up a revenue requirement from the costs. (Tr., p. 36).

Mr. Ellars testified that, with regard to effluent that enters the water stream, any commercial customer that places an excessive loading on the treatment process by virtue of foreign matter would be in violation of the NPDES permit. The Division of Environmental Protection would be in charge of enforcement proceedings against any commercial customer engaging in such activity. (Tr., p. 39). Staff's report did not take into consideration any extra type of loading factors, or effluent that would require additional treatment, because that was disallowed under the DEP Permit. Staff's allocations were based strictly on percentage of use. (Tr., p. 40). Staff further indicated that it was not aware of any commercial customers in the area that would be generating any type of effluent that would create a special expense for its treatment. (Tr., p. 41).

The last person to testify on behalf of Commission Staff was Robert R. McDonald, Senior Utilities Analyst in the Water and Sewer Section of the Utilities Division of the Public Service Commission. (Tr., p. 42). Mr. McDonald prepared and sponsored Staff's Class Cost of Service Study and Revenue Requirements report identified as Staff Exhibit No. 4. (Tr., p. 42). Staff Exhibit No. 5 was an addition to the report which included the Cash Flow Analysis for Staff's recommended permanent rates for the project. (Tr. pp. 42-43). Mr. McDonald utilized the Rule 42 Report prepared by Birdie Gandy and the Allocation Cost Factors prepared by Mr. Ellars to prepare a rate design for the City both on an interim basis and a permanent basis. Mr. McDonald testified that the interim rates are to

go into effect as soon as possible. The rates would change only in the block after 2,000 gallons of consumption. The \$1.20 per thousand gallons after two thousand gallons increases to \$1.50 per thousand gallons. The minimum charge of \$10.80 will not change under the interim rates. (Tr., p. 44). The increase provides for approximately \$5,030 in revenue. Normal usage of a household is 4,500 gallons per month. The City's current rates for 4,500 gallons per month based on a quarterly billing cycle would increase from \$41.40 to \$43.65, for a 5.43% increase. The minimum bill on a quarterly basis would be \$32.40. (Tr., p. 45). The interim rates will provide the City with a remaining cash surplus available for capitalization of \$6,000 with a debt coverage ratio of 163%. The interim rate is to discontinue when the construction of the sewer project is completed and is in service to the public. (Tr., pp. 46-47).

Staff's permanent recommended rate provides for rates and charges for the actual sewer treatment plant to be certificated in this case. The permanent rates would provide for total sales revenue of \$236,796.00; total cash available \$244,032; cash requirements before debt service of \$140,993; and cash available after debt service of \$103,039. The debt service in total will increase from \$9,451 to \$91,039 and the remaining cash available for construction will increase from \$6,000 to \$12,000. The coverage ratio will be 119%, which is in excess of the 110% required by the bond ordinance. (Tr., p. 48). The permanent rates are to go into effect after the construction project is complete or operational. (Tr., p. 49). Staff's permanent recommended rate is \$7.89 per thousand gallons per month, with a minimum charge of \$15.78 per month, based on two thousand gallons. The project is to be operational by December 31, 1995. (Tr., p. 51). The permanent recommended rates are to go into effect upon completion of the project and availability of service to the customers. (Tr., p. 51). A minimum permanent quarterly rate will be \$47.34, if the City continues its quarterly billing. (Tr., p. 52). Mr. McDonald confirmed that additional expenses were not provided in the project for monthly billing cycles. (Tr., p. 53). Any water consumed over the two thousand gallon minimum is \$7.89 per thousand, since the permanent recommended rate has only one block. (Tr., p. 54). Mr. McDonald explained that the single block rate best recovers uniformly all the costs of providing service to the various customer classes. Staff considered restructuring the blocking schedule but the single block rate best recovered the amount of money that was needed from the various customer classes. (Tr., pp. 54-55).

The City confirmed that the present rates will remain in effect until a final order of the Commission is issued. (Tr., p. 57). All parties waived the right to file findings of fact, conclusions of law or a brief in this matter and an expedited transcript was requested in this matter. (Tr., p. 57).

FINDINGS OF FACT

1. On March 14, 1994, the City of New Cumberland, a municipal corporation, Hancock County, filed an application, duly verified, for a certificate of convenience and necessity to construct a .18MGD secondary

sewage treatment plant using the sequential batch reactor process at New Cumberland, Hancock County. (See, Application).

2. The City estimated that construction costs would be approximately \$2,331,219 and would be financed through a HUD Small Cities Block Grant in the amount of \$154,816; an Environmental Protection Agency Grant (EPA) in the amount of \$1,170,070; and a West Virginia Water Development Authority Loan (WDA) in the amount of \$1,006,333. (See, Tr., p. 27; Utilities Division Memorandum received August 12, 1994).

3. Commission Staff has recommended approval of the certificate of convenience and necessity inasmuch as the Division of Environmental Protection has entered into a Consent Decree with the City and has approved the proposed modifications in the City's treatment system by permit modification number West Virginia 0025119-A issued August 26, 1992. (See, Tr., pp. 21, 25; Staff Exhibit No. 1).

4. Notice of the proposed project was given by the City in accordance with West Virginia Code §24-2-11. (See, Affidavit of publication received March 28, 1994).

5. On April 4, 1994, the City of New Cumberland adopted an ordinance increasing the rates and charges for sewer service to its customers to become effective July 1, 1994. (See, Affidavit of publication received April 22, 1994; rate ordinance received April 23, 1994).

6. On April 18, 1994, the Commission received a petition from approximately 250 of the City's 650 sewer customers in opposition to the increased sewer rates to be charged by the City. (See, Petition received April 18, 1994).

7. By Order issued April 25, 1994, the Commission invoked its jurisdiction pursuant to West Virginia Code §24-2-4b and suspended the use of the rates and charges of the City until 12:01 a.m., October 30, 1994. (See, Order issued April 25, 1994).

8. Commission Staff has recommended a rate of \$5.40 per thousand gallons per month for the first two thousand gallons and \$1.50 per one thousand gallons per month for all usage over two thousand gallons of water, with a minimum bill of \$10.80 per month, to be charged by the City of New Cumberland on an interim basis until the Staff-recommended permanent rates become effective. (See, Staff Exhibit No. 4, Tr., p. 44).

9. Commission Staff has recommended permanent sewer rates and charges of \$7.89 per thousand gallons per month, with a minimum charge of not less than \$15.78 per month, to be charged by the City of New Cumberland once the sewer treatment plant and project has become operational. (See, Staff Exhibit Nos. 4 and 5; Tr., pp. 49-52).

10. The City agreed to accept Staff's recommended rate structure outlined in Staff's Exhibits concerning both the Staff-recommended interim rate and the Staff-recommended permanent rate. (See, Tr., p. 17).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project in Case No. 94-0190-S-CN.

2. The proposed project in Case No. 94-0190-S-CN will provide adequate service and is adequately financed.

3. The City has agreed to accept Staff's recommended rates on an interim and permanent basis and it is reasonable that Staff's recommended interim rates be approved for all services rendered on or after this order becomes a final order of the Commission and that the permanent rates become effective upon completion of the project certificated in Case No. 94-0190-S-CN when service is available to the City of New Cumberland's customers.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the City of New Cumberland on March 14, 1994, for a certificate of convenience and necessity to construct a 0.180MGD secondary sewage treatment facility at New Cumberland, Hancock County, be, and hereby is, approved.

IT IS FURTHER ORDERED that the financing of the proposed project, being a HUD Small Cities Block Grant in the amount of \$154,816; an Environmental Protection Agency Grant in the amount of \$1,170,070; and a West Virginia Water Development Authority Loan in the amount of \$1,006,333, be, and hereby is, approved.

IT IS FURTHER ORDERED that, if there is a change in any of the terms, conditions or scope of the project or financing, the City of New Cumberland shall notify the Commission immediately and it shall request Commission approval of the revised project or financing.

IT IS FURTHER ORDERED that the City of New Cumberland notify the Commission within thirty (30) days of the completion of the project.

IT IS FURTHER ORDERED that the Staff-recommended interim rates, attached hereto as Appendix A, as agreed to by the City of New Cumberland, be, and hereby are, approved, to become effective for all service rendered on or after this order becomes a final order of the Commission and shall continue in effect until the Staff-recommended permanent rates become effective.

IT IS FURTHER ORDERED that the Staff-recommended permanent rates, attached hereto as Appendix B, as agreed to by the City of New Cumberland, be, and hereby are, approved, to become effective for all services rendered on or after the date that the project certificated in Case No. 94-0190-S-CN becomes operational.

IT IS FURTHER ORDERED that these proceedings be, and hereby are, dismissed and removed from the Commission's docket of open cases.

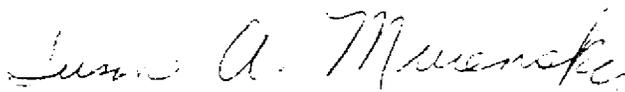
IT IS FURTHER ORDERED that the City of New Cumberland file revised tariff sheets setting forth the increased rates as recommended by Commission Staff within ten (10) days of the date that this order becomes a final order of the Commission.

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.



Susan A. Murensky
Administrative Law Judge

SAM:pst

APPENDIX A

CITY OF NEW CUMBERLAND
CASE NOS. 94-0190-S-CN and 94-0319-S-MA
APPROVED INTERIM RATES

APPLICABILITY

Applicable in entire territory served, which is totally within the corporation limits of the City of New Cumberland.

AVAILABILITY

Available for sanitary sewer service.

RATES

First	2,000 gallons	\$5.40 per 1,000 gallons per month
All over	2,000 gallons	1.50 per 1,000 gallons per month

MINIMUM CHARGE

No bill will be rendered for less than \$10.80 per month.

DELAYED PAYMENT PENALTY

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

TAP FEE

\$ 250.00

APPENDIX B

CITY OF NEW CUMBERLAND
CASE NOS. 94-0190-S-CN and 94-0319-S-MA
APPROVED PERMANENT RATES

APPLICABILITY

Applicable in entire territory served, which is totally within the corporation limits of the City of New Cumberland.

AVAILABILITY

Available for sanitary sewer service.

RATES

\$7.89 per 1,000 gallons per month.

MINIMUM CHARGE

No bill will be rendered for less than \$15.78 per month.

DELAYED PAYMENT PENALTY

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

TAP FEE

\$ 250.00

Regular Session of Council
March 7, 1994

Meeting was called to order by Mayor Crago at 7:00 P.M. Those present were L. Binkoski, D. Blackwell, J. Everly, B. Ross. Wells was absent due to his work schedule. Hartung was absent because of illness.

Everly made a motion to accept the minutes from the previous meeting and have them signed by the mayor. Second by Blackwell. Motion carried.

Committee Reports

Finance - Report was given by City Clerk. The finance committee met on March 4. The committee is recommending to council that a HMO plan be purchased for the chief of police, with the city paying 80% and the chief paying 20%. The plan will cost the city approximately \$221.21 per month with the chief paying \$55.30. A \$50.00 dollar a month increase was recommended for the city judge, which will take him from \$200.00 a month to \$250.00 a month. It was also recommended that a .25 an hour raise be given to Thomas McGowan. The 1994-1995 budget was prepared with a estimated income of \$180,093.00. Everly made a motion to accept the .25 an hour raise for McGowan. Second by Binkoski. Motion carried. Blackwell made a motion to approve the HMO plan for the chief of police. Second by Binkoski. Motion carried. Everly made a motion we accept the \$50.00 a month increase for the city judge. Second by Binkoski. Motion carried. Ross made a motion we accept the 94-95 budget. Second by Blackwell. Motion carried.

Police - Hamilton reported that 52 calls had been answered for the month of March. There was 3 incidents, 2 thefts, 5 accidents and 31 citations were issued. He noted that the department is going to deal with Staley Communications instead of A.V. Lauttamus. The new officers are doing well, car 41 has been put strictly on day light hours because of its condition.

Water - Everly stated at their last meeting they had decided to take an extensive look at changing from Chlorination to ultra violet. Because of complications at the present time Everly recommends that we stay with chlorination. It was suggested that they have Aqua Tec come in and check for leaks. It was also discussed about giving Pat Jones a .25 an hour raise.

Streets - Binkoski noted that he would like to start patching in the month of May with an estimated cost of \$2,000.00. He has received three requests for speed bumps and a one way sign. The location for the speed bumps are alley behind drug store, alley between 2nd and 3rd avenue on the north end and N. Chestnut Street half way down.

Mayor's Comments - Crago thanked the fire department for turning the upstairs of the city building back to the city and J. Robson

for painting of the city building sign.

Humane Control Investigator - Staley noted that the swans had been relocated. One call was received on the leash law which has been taken care of. Several calls has been received on stray cats.

City Clerk Comments and Correspondence - It was noted that we are going to purchase a copier and a fax machine and if council had any suggestions concerning either of these items the clerk would appreciate the help.

AGENDA

Proclamation - "A Living Legacy" - Phyllis Dicks - The proclamation was read by Crago declaring the week of April 24-30 as A Living Legacy week when the Rhododendron Rebekah Lodge will plant a rhododendron bush at the Pride Park Extension.

T.C.I. (Franchise Ordinance) - Crago asked Simon where we stood with this ordinance. We have one in effective but at the present time are not collecting any money from T.C.I. Simon stated that T.C.I. does not feel that they should have to pay this 5% fee, but are willing to meet with the city and negotiate this fee. Simon will set up a meeting with T.C.I. and see if this can be worked out.

Re-Adopt Ordinance Chapter 17, 17A, 17B, 17C and 17D - Everly made a motion we accept the first reading of this ordinance. Second by Blackwell. Motion carried.

A.I.R. - Bill Currance stated that they are in the process of finishing up the cement work for the new pad.

Citizen's Letter - Crago noted that he had received a letter of complaint from Kurt Swan about the on going noise from A.I.R. plant. Crago asked Currance what he was going to do about this complaint. Currance gave a letter to council members from Occupational Health Consultants, Inc. This company came to A.I.R. and tested various locations for noise. There was no area tested that was uncommonly loud. Swan commented that some of the noise has decreased, but that he feels it could be cut down more. He feels that the noise makes the living conditions unbearable. Currance said that he is not permitted to put any modifications on the stack, but he will check into this to see if there is anything else that can be done. Everly wanted Currance to be aware of complaints coming in about the loader being ran at all hours of the night. Currance said he will see that this is taken care of.

Follow Up Letter From TCI - TCI's reply concerning the bad reception of the channels 2, 4, and 7 are related to a power source between Chester and Pittsburgh. The cable company has asked people to please bear with them while they are trying to find a way to eliminate this problem.

President Of Council - Crago announced that he has appointed James

Wells as President of Council. Jim will hold this position during the remainder of Crago's term.

Pride Station Wall Repair - Crago stated that for a long time now the wall was in need of repair. He told council that when the wall was built that the city agreed to maintain it. Council suggested we try to get a couple bids to see what this job will cost.

Amendment To Parking Violation Ordinance - Crago told council at the present time the fine for a parking violation is \$10.00. He would like to see this increased to \$20.00. He asked council to think about this and possibly increase this at a later time.

Sign Ordinance - Crago suggested to council that we consider some type of ordinance to cover the condition of advertising signs that are in the city limits. Crago told council that he will get a sample of a sign ordinance and let them review it.

Curfew Ordinance - Crago stated that he has received a couple complaints about children running around in Eden Valley late at night. He wanted council to be aware of this and he stated that we do have a ordinance in effect that covers this problem.

New Utility Billing System - Crago has been in contact with David Shroads about designing a program for the utility billing. Shroads has presented the water/sewage board with a proposal and the board has accepted it and will be entering into a contract with him.

✓ First Reading of Water & Sewage Rate Increase - Ross made a motion to accept the first reading of the Water Service Fee Increase. Second by Everly. Motion carried. The increase will be \$2.00 per thousand for use up to 2,000 gallons. \$1.31 per thousand for the next 198,000 gallons. \$1.07 per thousand gallon for use over 200,000 gallons. A minimum monthly charge of \$4.00 for all meter sizes. A \$15.00 reconnection fee.

✓ Everly made a motion to accept the first reading of the sewer services fees. Second by Binkoski. Motion carried. The increase will be \$16.17 per 1000 gallons for the first 2000 gallons consumed. (A minimum sewer charge of \$32.34 will be applicable for usage under 2000 gallons.) For each additional 1000 gallons a charge of \$3.59 will be applicable.

Riverfront Property Leasing - Crago wanted council to know that letters will be going out to the people leasing these properties by April 1, 1994.

Property For Bid - Crago stated that the property located on the corner of S Chester St and Filmore Street has been appraised at \$1,200.00. An ad will be put in the paper to accept bids on this property, but it will also be noted in the ad that the city reserves the right to refuse all bids.

Stairwell Construction - Crago asked council if they would like to get some bids on putting a stairwell from the downstairs of the city building to the proposed police offices which will be located in the upstairs of the city building. Council had no problem with this.

Crago then asked if anyone else needed to bring anything before council. Kim Weaver from BHJ who is the project administrator for the sewer project stated that Attorney Manypenny had suggested to her that council needs to procure a Bond Council Attorney for the loan. She told council that she needed their permission to start the process. Council had no problem with Kim to begin this process. She also told council that the DEP has approved the plans on the new sewage plant and that they should be receiving a letter on this sometime this week.

Fire Hydrants - It was noted that the city had several hydrants that did not work and the question was asked exactly what was the city going to do about this. Crago stated that two new hydrants had been put in the budget for 94-95.

Everly made a motion to adjourn. Second by Binkoski. Motion carried. Meeting adjourned at 8:10 P.M.

Regular Session of Council
April 4, 1994

The meeting was called to order by Mayor Crago at 7:00 P.M. Those present were L. Binkoski, R. Blackwell, J. Everly, J. Wells, H. Hartung and W. Ross.

Hartung made a motion to have the minutes approved and signed by the Mayor. Second by Wells. Motion carried.

Committee Reports

Finance - Wells reported that he had been approached by Chief Hamilton to purchase a radar unit because the one the department presently has isn't working. The unit will cost \$697.45 and we can make payments. J. Everly made a motion we purchase the radar unit. Second by Hartung. Motion carried.

Police - Hartung said that he would like to have permission to send Patrolman Keven Ginier to a Radar Instructor School. He then in turn would be able to certify any new officers the city hired. Skinner will be graduating from the academy on April 8 and Ginier returned to work on April 1. Twenty three hours was donated by the police department.

Water/Sewage - Everly reported that three contracts were presented to Manypenny for approval on the sewage plant. The board approved that minimal supplies be bought for the third avenue project. Two new board members were present Mr. Kuzio and Bill Ross. Approval was given for the programer to begin with the new billing system. A letter was issued to the city employees to please be more cautious when using the city vehicles. The fine with Eli McCoy is to be paid as soon as possible and the fine for the magistrate is to be set up in payments if possible.

Streets - Binkoski noted that they hope to start patching the streets the week of May 8.

Humane Control Investigator - Staley stated she received two reports on strays, three reports on possible cruelty, one letter issued regarding the lease law and one dog returned to his owner.

City Clerk Comments and Correspondence - Robson stated that the mayor had asked herself and Tim Hines to look into the possibility of getting some grant money to remodel the upstairs for the police department and that Michael Scime with Conrail was in the city building to let us know that they had reached an agreement with the state road and the two railroad crossings will be resurfaced with the new hard rubber material.

Resolution For Swaney Memorial Library-April 17-24 - Resolution was read by Mayor Crago and presented to George Hines. Mr. Hines then presented the mayor with a book bag marking the library's 30th year.

AGENDA

Old Business

Property For Bid - Crago feels that council should reconsider the selling of the Fish property. This piece of property will be located in the industrial area. Since council made a motion to sell, a motion to rescind the previous motion needs to be made. Blackwell made a motion to rescind the motion to sell this piece of property. Second by Wells. Motion carried.

Pride Station Wall Repair - Crago asked if we had received any bids to repair the wall. No bids have come in at this time. Ross is going to contact someone he knows who might be interested and Curran noted that he knew someone who might do it. These people will be contacted.

Stairwell Construction - At present time we are awaiting bids be two people who have come in and looked at the situation.

Mr. Uker - Noted he had something to say about the water situation on his property. He had made a trip to Wheeling and two trips to Morgantown concerning this problem. He said that the state is still stating that the problems are arising because of the city. A meeting will be set up for Uker to bring a video tape in and show council exactly what the problem is.

New Business

Possible Cost Over Runs On Industrial Park Access Road - Crago wants this committee to be aware that the city cannot assume any expense for this project. There is \$250,000.00 for phase two of this project and if the road has to be cut short to stay in this budget, then this will be done. He would like to have a letter issued to this committee letting them know the city's stand on this issue.

Zoning Plan - Crago asked Binkoski if this did not need to be taken care of as soon as possible and presented to the people. Binkoski noted that they are not sure yet if this needs to be completed before Phase I or Phase II.

Library Storage Shed Proposal - Crago would like the city to share in the cost of a storage shed and give \$200.00 towards a lawn mower. These items will be used by the library board and also used to maintain Pride Park Extension. Everly made a motion we support this project. Second by Wells. Motion carried.

T.C.I. Proposal - Simon stated that the city had asked T.C.I. concerning the Franchise Fee that they pay the city 4% with a two year extension with them be implemented. T.C.I. responded with a 3% fee and a three year extension. Simon recommended to council that counter act and ask for 3 1/2 % and three year extension. Binkoski made a motion that we counter offer for the three and one half percent and three year extension. Second by Ross. Motion carried.

Second Reading WV Code Chapters 17, 17A, 17B, 17C and 17D - Everly made a motion that we have the second reading and approve WV Code Ordinance. Second by Blackwell. Motion carried.

- ✓ Citizen Comment/Complaints - The mayor asked if any citizen had any comments or complaints concerning the water service fees. The mayor wanted it noted that there has been an adjustment since the first reading. The adjustment change went from \$1.07 to \$1.06 for the use over 200,000 gallons.
- ✓ Second Reading of Water Service Fees - Hartung made a motion to accept the second reading of Water Service Fee Ordinance. Second by Everly. Motion carried.
- ✓ Citizen Comment/Complaints - The mayor asked if any citizen had any comments or complaints concerning the Sewer Service Fee Ordinance. Rick Mercer wanted to know if council had an idea of what the new plant was going to cost. The estimate that council has is 2.3 million dollars. Mercer wanted to know if any grant money was going to be used. Kim Weaver noted that they had a little over 150,000.00 dollars in CDBG money and approximately a little over one million dollars in EPA funds. If the project can go to bid before the EPA runs out of money they will give us an additional \$600,000.00. IF the city gets all these awards then we should have to borrow an additional one million dollars to complete the project. The reason of the rate increase is because of having to borrow this one million dollars. Mercer stated that one of the biggest complaints he had was the fact that the billing was going to go to monthly instead of quarterly and because of this he had the opinion that he would have to pay more money. The assumption was incorrect and council and Weaver tried to explain this to him. Following a lengthy discussion Mercer stated that he did not understand the monthly billing and knows that it will not cost him more billed this way. He also said that he will put an ad in the Courier explaining to people that he had told them incorrectly about the monthly billing and if anyone wanted to remove their name from the petition they could. He also told council that he is still going to send the petition down state.
- ✓ Second Reading of Sewer Service Fees - Wells made a motion to accept the second reading of the sewer service fee. Second by Hartung. Mayor Crago asked clerk to take a roll call vote. Binkoski-yes, Blackwell-yes, Everly-yes, Wells-yes, Hartung-yes and Ross-yes. Motion carried.

Kim Weaver present projects to council that need motions to accept. The first is to enter into a contract with KLH for the bidding and construction service for 131,000.00 dollars. Motion to accept this contract was made by Hartung. Second by Blackwell. Motion carried. The second is an amendment to our project attorney for them to be carried over from Phase I to Phase II which is Larry Manypenny at a cost of \$20,000.00. Motion to accept was made by Everly. Second by Binkoski. Motion carried. The third is an amendment to BHJ's contract to cover the services for Phase II

which is \$26,000.00. Motion to accept made by Ross. Second by Hartung. Motion carried. The fourth is to retain bond council service. Kim Weaver preferred to go with Steptoe and Johnson at a cost of \$7,500.00 with out of the pocket money at \$1,000.00. Motion to accept this company made by Wells. Second by Ross. Motion carried.

Councilman Blackwell asked if the radar unit being purchased for the police department could be paid for in full instead of making payments because of the high interest that is going to have to be paid. The clerk stated that we could afford to do this.

Robert Williams Property - Simon asked council what they wanted to do concerning this property. Crago would like to have a letter sent to Attorney Manypenny concerning this problem. Simon stated that he will submit a letter stating that since no action has been taken regarding this problem, one week will be given to respond to this and then eminent domain action will be taken. Crago asked Simon to get on this immediately.

Blackwell made a motion to adjourn. Second by Wells. Motion carried.

Regular Session of Council
Public Hearing on Rate and Bond Ordinance
May 3, 2004

Mayor brought the meeting to order at 5:00 p.m. Those present were Lyons, Shreve, Blackwell, Hartung, Mills and Murray, representative from Steptoe and Johnson Vince Collins.

Mayor addressed public asking anyone if they would like to speak regarding the rate and bond ordinance if so you could sign in with Becky and then the mayor would address them. Mayor stated that no one appeared or wanted to address the rate and bond ordinance.

Mayor read the rate ordinance. A motion was made by Blackwell to approve the third and final reading of the rate ordinance. Second by Shreve. Roll call: Lyons Yes, Blackwell Yes, Mills Yes, Shreve Yes, Hartung Yes, Murray Yes. Motion carried 6-0.

Mayor read the bond ordinance. Hartung made a motion to approve the third and final reading of the bond ordinance. Second by Mills. Roll call Lyons Yes, Blackwell Yes, Mills Yes, Shreve Yes, Hartung Yes, Murray Yes. Motion carried 6-0.

Vince Collins explained that we will have one more step at a regular council meeting we will need to pass a resolution.

Mayor welcomed boy scouts Dominic Nolfi, Tyler Swan and Sean Notni from troop 38.

A motion to approve the minutes from the previous meeting was made by Shreve. Second by Lyons. Motion carried 6-0.

Community Service Report Mayor read Hines reports to council.

Streets Hartung states they meet and we discussed Video Lottery wish list we would like to pave N. Chestnut, Newman's Hill and Porter Street catch basin, fix the wall at Clay Street and Commerce Street. The street signs, if we want them painted Jim Ewing will do them for \$8.00 - \$9.00 a sign, all we have to do is paint them black and he will powder coat the white on the signs. I received a call from Jeff Long wanting to know if the city would help with the Little League Baseball Jeff was unable to attend today but a letter was given to Becky. Hartung read the letter from Jeff Long. Hartung feels that we need a work session before we make any decision on this.

Mayor has a request from Citizens of New Cumberland, he reads the letter. Mayor would also like to table this letter as well for a work session. Mayor would like to have a work session Wednesday at 7:00 p.m.

Approval to advertise for a new cruiser, mayor states that the police department received a grant. Blackwell made a motion to get a new cruiser with the grant but trade in two

cruisers. Lyons second. Roll call: Lyons Yes, Shreve Yes, Blackwell Yes, Hartung Opposed, Mills Yes, Murray Yes. Motion carried 5-1 opposed.

Purchase a new time clock. Murray made a motion to authorize purchase of a time clock up to \$479.89. Second by Hartung. Motion carried.

Ward Reports

Lyons stated yellow lines by Hopwood cars are parking there and caused someone to get a ticket because they did not see the stop sign mayor will refer this to the police committee.

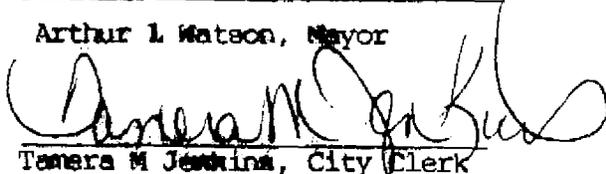
Mills states that the police committee has no control over the police except for finance and safety equipment according to the ordinance. The Mayor and the Police Chief are in charge of enforcing the laws in this town. Mayor stated that Mills is just an extension of the Mayor's authority. Mills stated that this should go to the Police Chief.

Shreve states that Newman's Hill is cracking due to the water runoff, can we patch it now before it gets to bad. Someone else ask me about the street signs.

A motion was made by Blackwell to adjourn. Second by Murray. Meeting adjourn.



Arthur L. Watson, Mayor



Tamara M. Jenkins, City Clerk

Committee Reports

Water Sewage Blackwell stated that Jamegy is on line, we started billing them. We were granted a 90 day extension on the UV Project. Discussion on the Rule 42, this was complete but we had to redo it.

Streets Mayor stated that we sent letters to the owners of the vacant buildings: old hardware, A&S, Air building One was signed for and two were unclaimed. We are having a hearing April 9, 2004. To secure one building will cost approximately \$5,000.00, if the property owners do not secure buildings we will move forward with the Red X ordinance.

Agenda

Human Control Investigator, mayor stated that when Carl resigned we did not replace this position. Mayor motion to discuss this at a work session.

WV Local Law Enforcement Block Grant mayor stated that we were awarded \$15,093.00 with our match \$1887.00. A motion was made by Blackwell to accept the grant. Second by Shreve. Motion carried. Roll call: Shreve Yes Lyons Yes, Blackwell Yes, Hartung No, Mills No. Motion carried 3-2.

A motion was made by Hartung to approve the second reading of ATV Restrictions ordinance #04-002. Second by Shreve. Motion carried, ordinance adopted.

Family Law Court carpeting for judge's chambers and waiting area. Mayor states that we received three bids, Towne Carpet \$1,334.31, Simon Carpet \$1,354.10 and Smitty Carpet \$1,400.00. A motion was made by Mills to accept bid from Towne Carpet. Second by Lyons. Motion approved.

Approval of the plans for the Riverfront Beautification, mayor recommends taking this to a work session for discussion.

Building Enforcement Agency, mayor stated that currently serving on this committee are myself, Richard Blackwell and Jim Lyons. I recommend appointing Laurie Long as the fourth member of this agency.

Hire a janitor, mayor stated that we have received two applications, mayor recommends hiring George Hines. A motion was made by Hartung to hire George Hines. Second by Blackwell. Motion carried.

Wall at Clay Street, mayor stated that we requested a quote from Durawall, Mayor motioned for this to be taken to a work session. The quote from Durawall for the City Complex was pulled.

Mayor stated that April 24, 2004 is the City cleanup, twenty yard dumpsters will be placed at the city garage. We will hold city cleanup the week before, total cost for the dumpsters will be approximately \$2,200.00 to \$2,300.00. Mayor request authorization to enter into agreement with waste management to rent dumpsters for the clean up Tuesday through Friday the 23rd. Approval was given by Blackwell. Second by Shreve. Mayor stated that the funds are to come out of Video Lottery Money.

Computer software upgrade, mayor would like authorization to advertise for bids to upgrade software for Utility Clerk and City Clerk's office. A motion was made by Shreve to advertise. Second by Blackwell. Motion carried.

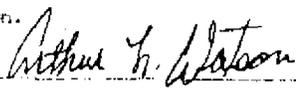
Phone upgrade, mayor request this be taken to a work session for discussion.

Ward Reports

Blackwell introduced Roger Cowen who is running for County Commissioner.

A motion was made by Shreve to adjourn. Second by Blackwell. Meeting adjourn.


Pamela H. Jenkins, City Clerk


Arthur L. Watson, Mayor

Special Session of Council
April 8, 2004

Mayor brought the meeting to order at 5:10 p.m. Those present were Shreve, Blackwell, Hartung, Mills; Bond Council representative from Steptoe and Johnson Vince Collins.

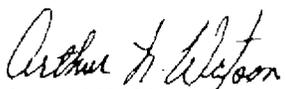
Mayor states that the purpose of the meeting is to approve the reading of the rate ordinance and the bond ordinance on the dechlorination process and the project of the water sewage department.

Mayor read the rate ordinance, a motion was made by Shreve to accept the first reading of the rate ordinance. Second by Blackwell. Roll call: Shreve Yes, Blackwell Yes, Hartung Yes, Mills Yes. Motion carried, first reading of rate ordinance was accepted. The second reading will take place on April 16, 2004.

Mayor read the bond ordinance of the City of New Cumberland. A motion was made by Blackwell to accept the first reading of the bond ordinance was accepted.

A motion was made to adjourn by Mills. Second by Hartung. Meeting adjourn.




Arthur L. Watson, Mayor

Rebecca Atkinson
Rebecca Atkinson, Utility Clerk

Arthur L. Watson
Arthur L. Watson, Mayor [2]

Special Session of Council
April 16, 2004

Mayor brought the meeting to order at 4:00 p.m. This meeting is for the second reading of the Rate and Bond Ordinance. Those present were Blackwell, Shreve, Hartung, Lyons, absent: Mills and Murray.

Mayor read the Rate Ordinance, Shreve made a motion to adopt the ordinance. Second by Hartung. Roll call: Lyons Yes, Shreve Yes, Blackwell Yes, Hartung Yes. Motion carried 4 to 0.

Mayor read the Bond Ordinance, Mayor ask for a motion. Blackwell made a motion to adopt the Bond Ordinance. Hartung had a question, will the 280,000.00 be enough. Mayor stated that there is an additional 130,000 grant. Lyons second the motion. Roll call: Lyons Yes, Shreve Yes, Blackwell Yes, Hartung Yes. Motion carried 4 to 0 on the second reading.

Received Time Jun-15-10:52AM

Rebecca Atkinson
Rebecca Atkinson, Utility Clerk

Arthur L. Watson
Arthur L. Watson, Mayor

41-46357

HANCOCK COUNTY COURIER

NOTICE OF PUBLIC HEARING ON CITY OF NEW CUMBERLAND SEWER RATE ORDINANCE

Published By

CK COURIER PRINTING COMPANY

A public hearing will be held on Monday, May 3, 2004, at 5:00 p.m. on the following ordinance which has been introduced on April 8, 2004. Any person interested may appear before the City Council of the City of New Cumberland at the City Hall, 4 North Court Street, New Cumberland, West Virginia, and present any comment or protest thereon. Following which hearing Council shall take such action as it shall deem proper.

AN ORDINANCE INCREASING THE RATES, FEES AND CHARGES FOR SERVICE FOR CUSTOMERS OF THE SEWAGE SYSTEM OF THE CITY OF NEW CUMBERLAND.

THE COUNCIL OF THE CITY OF NEW CUMBERLAND HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for municipal sewage services provided to all general domestic, commercial, and industrial users and customers of the City of New Cumberland, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

SCHEDULE I

SECTION I. SCHEDULE OF RATES AND CHARGES

APPLICABILITY

Applicable to the entire territory served, which is totally within the corporation limits of the City of New Cumberland.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial (except unusual industrial waste) service.

RATES

- First 2,000 gallons used per month - \$17.80
- Every additional 1,000 gallons used per month - \$ 8.00

MINIMUM CHARGE

No bill will be rendered for less than \$17.80 per month (Based on 2,000 gallons).

AP FEES

\$250.00 will be charged per tap.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten-percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to only be collected once for each bill here it is appropriate.

SAK ADJUSTMENT INCREMENT

To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate is used to calculate consumption above the customer's historical average usage.

RETURNED CHECK CHARGE

If a check returned by a customer for the check fee, the fee shall be the City's charge to the customer for such returned check and under no circumstances shall the fee collected by the City exceed \$20.00.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE CITY'S SANITARY SEWER SYSTEM

where the City has discovered that a customer's roof drain, down spout, storm sewer or other similar facilities conducting surface water have been connected to the City's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the City in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times X \times 10006233 \times C$$

S - The surcharge in dollars

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet

R - The measured monthly rainfall, in inches

10006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C - The City's approved rate per thousand gallons of metered water usage

The City shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

STATE OF WEST VIRGINIA, COUNTY OF HANCOCK

I, Joyce Frain publisher of the HANCOCK COUNTY COURIER, a newspaper published in the CITY OF NEW CUMBERLAND, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates: April 22, 29, 2004

commencing on the 22nd day of April 2004

Given under my hand this 29th day of April 2004

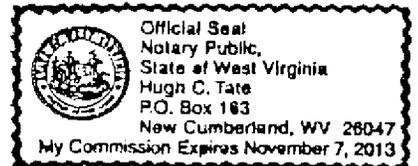
Joyce Frain

Sworn to and subscribed before me this 29th day of

April 2004

Hugh C. Tate Notary Public

of, in and for HANCOCK COUNTY, WEST VIRGINIA.



Such surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge within correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$CI = VuVi + BuBi + SuSi$$

CI = charge to unusual users per year

Vu = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi = volume of waste water from unusual users, in gallons per year

Bu = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per year

Bi = weight of BOD from unusual users, in pounds per year

Su = average unit costs of treatment (including sludge treatment chargeable to total solids, in dollars per pound

Si = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing material which, in judgement of the City, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge thereof, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the City records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the City, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

Comment - Not part of the rate schedule.

This schedule is included on an if-and-when basis.

SECTION 2. SEPARABILITY, REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 3. EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective forty-five (45) days after final enactment hereof, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Hancock County Courier and the Weston Daily Times, qualified newspapers of general circulation in the City of New Cumberland, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on Monday, May 3, 2004, at 5:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the Recorder, City Hall, 104 North Court Street, New Cumberland, West Virginia.

Passed on First Reading:

April 8, 2004

Passed on Second Reading

(following Public Hearing):

2004

By: Arthur Watson
Mayor

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of New Cumberland held on April 8, 2004, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of New Cumberland at the City Hall, 104 North Court Street, New Cumberland, West Virginia, on Monday, May 3, 2004, at 5:00 p.m., being the date, time and place on the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Recorder in the City Hall, New Cumberland, West Virginia during regular office hours.

STATE OF WEST VIRGINIA
COUNTY OF HANCOCK

I Melody Bruce bookkeeper for the publisher of THE DAILY TIMES, a newspaper in the city of Weirton, State of West Virginia, here certify that the annexed publication was inserted in said newspaper on the following dates:

4-22, 29, 2004

Commencing on this....	<u>29th</u>	day of	<u>April</u>	2004
given under my hand this	<u>30th</u>	day of	<u>April</u>	2004

Melody Bruce



Sworn to and subscribed before me on this... 30th day of April 2004

NANCY KAUFMANN
Notary Public, State of Ohio
My Commission Expires June 9, 2007



NANCY KAUFMANN
Notary Public, State of Ohio
My Commission Expires June 9, 2007

Nancy Kaufmann

of, in and for HANCOCK COUNTY, WEST VIRGINIA.

Amey Kaufman

**NOTICE OF PUBLIC HEARING ON
CITY OF NEW CUMBERLAND SEWER
RATE ORDINANCE**

A public hearing will be held on Monday, May 3, 2004, at 5:00 p.m. on the following ordinance which has been introduced on April 8, 2004. Any person interested may appear before the City Council of the City of New Cumberland at the City Hall, 104 North Court Street, New Cumberland, West Virginia, and present any comment or protest thereto. Following which hearing Council shall take such action as it shall deem proper.

AN ORDINANCE INCREASING THE RATES, FEES AND CHARGES FOR SERVICE FOR CUSTOMERS OF THE SEWAGE SYSTEM OF THE CITY OF NEW CUMBERLAND.

THE COUNCIL OF THE CITY OF NEW CUMBERLAND HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for municipal sewage services provided to all general domestic, commercial, and industrial users and customers of the City of New Cumberland, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

SCHEDULE I

SECTION 1. SCHEDULE OF RATES AND CHARGES

APPLICABILITY

Applicable to the entire territory served, which is totally within the corporation limits of the City of New Cumberland.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial (except unusual industrial waste) service.

RATES

First 2,000 gallons used per month - \$17.80
Every additional 1,000 gallons used per month - \$8.90

MINIMUM CHARGE

No bill will be rendered for less than \$17.80 per month (Based on 2,000 gallons).

TAP FEE

\$250.00 will be charged per tap.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten-percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to only be collected once for each bill where it is appropriate.

LEAK ADJUSTMENT INCREMENT

TO be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate is used to calculate consumption above the customer's historical average usage.

RETURNED CHECK POLICY

If a check received is returned by the bank for any reason, the bank's charge to the City shall be the City's charge to the customer for such returned check and under no circumstances shall the fee collected by the City exceed \$20.00.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE CITY'S SANITARY SEWER SYSTEM

Where the City has discovered that a customer's roof drain, down spouts, storm sewer or other similar facilities conducting surface water have been connected to the City's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the City in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$S = A \times R \times X .0006233 \times C$

S - The surcharge in dollars

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet

R - The measured monthly rainfall, in inches

.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C - The City's approved rate per thousand gallons of metered water usage

The City shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$Ci = VoVi + BoBi + SoSi$

Ci = charge to unusual users per year

Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi = volume of waste water from unusual users, in gallons per year

Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per year

Bi = weight of BOD from unusual users, in pounds per year

So = average unit costs of treatment (including sludge treatment chargeable to total solids, in dollars per pound

Si = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing material which, in judgment of the City, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge thereof, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the City records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the City, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made aforesaid.

Comment - Not part of the rate schedule: This schedule is included on an if-and-when basis

SECTION 2. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the validity of this Ordinance.

person interested may appear before Council on Monday, May 3, 2004 at 5:00 p.m., which date is not less than ten days after the date of first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the Recorder, City Hall, 104 North Court Street, New Cumberland, West Virginia.
Passed on First Reading: April 8, 2004
Passed on Second Reading: _____, 2004
By: /s/ Arthur Watson, Mayor

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of New Cumberland held on April 8, 2004, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of New Cumberland at the City Hall, 104 North Court Street, New Cumberland, West Virginia, on Monday, May 3, 2004 at 5:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Recorder in the City Hall, New Cumberland, West Virginia during regular office hours.

By: /s/ Tamera Jenkins, Recorder
4-22, 23, 2004 Adv.

SECTION 2. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 3. EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective forty-five (45) days after final enactment hereof, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Hancock County Courier and the Weirton Daily Times, qualified newspapers of general circulation in the City of New Cumberland, and said notice shall state that this Ordinance has been introduced, and that any

Certificate Of Publication
HANCOCK COUNTY COURIER

Published By
THE HANCOCK COURIER PRINTING CO.



STATE OF WEST VIRGINIA,
COUNTY OF HANCOCK

I, Joyce Trainor publisher of the HANCOCK COUNTY COURIER, a newspaper published in the CITY OF NEW CUMBERLAND, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

March 24, 1994
commencing on the 24 day of March 1994
Given under my hand this 24 day of March 1994

Joyce Trainor

NOTICE
Public notice of the proposed adoption by the City of New Cumberland of an ordinance amending the New Cumberland City Code and its tariffs pertaining to water service rates and related matters. The City of New Cumberland will take final action on the adoption of an ordinance amending the City Code and its Tariff Schedules pertaining to water service rates and other related matters on April 4th, 1994 at 7:00 p.m. in Council Chambers of the New Cumberland City Building. Copies of the proposed ordinance will be available for inspection in the office of the City Clerk in the City Building. Any interested parties may appear at the meeting and be heard with respect to the proposed ordinance.
Given under my hand this 22nd day of March, 1994.

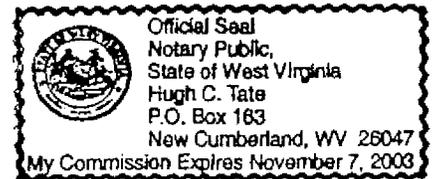
Jacqueline L. Robson
City Clerk,
New Cumberland

Publish: March 24, 1994
Hancock County Courier

Sworn to and subscribed before me this 24 day of March 1994

Hugh C. Tate Notary Public

of, in and for HANCOCK COUNTY, WEST VIRGINIA.



STATE OF WEST VIRGINIA
 COUNTY OF HANCOCK

I Melody Bruce bookkeeper for the publisher of THE DAILY TIMES, a newspaper in the city of Weirton, State of West Virginia, here certify that the annexed publication was inserted in said newspaper on the following dates:

4-22, 29, 2004

Commencing on this....	<u>29th</u>	day of	<u>April</u>	2004
given under my hand this	<u>30th</u>	day of	<u>April</u>	2004

Melody Bruce

Sworn to and subscribed before me on this...30th day of April 2004



NANCY KAUFMANN
 Notary Public, State of Ohio
 My Commission Expires June 9, 2007

Nancy Kaufmann

of, in and for HANCOCK COUNTY, WEST VIRGINIA.

NOTICE OF PUBLIC HEARING ON ORDINANCE
THE CITY OF NEW CUMBERLAND
 A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the City of New Cumberland (the "City") to be held on Monday, May 3, 2004, at 5:00 p.m. in Council Chambers at the City Hall, 104 North Court Street, New Cumberland, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:
ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$280,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF

SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.
 The above-entitled Ordinance was approved by the Council on April 16, 2004.
 The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide permanent financing of the costs of acquisition and construction of betterments, additions and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the City and to pay certain costs of issuance of the Bonds and related costs. The bonds are payable solely from revenues to be derived from the ownership and operation of the combined waterworks and sewerage system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.
 A certified copy of the above-entitled Ordinance is on file with the Council at the office of the City Clerk for review by interested parties during regular office hours. Following the public hearing, the Council intends to enact the Ordinance upon final reading.
 Dated: April 16, 2004
 /s/Tamera Jenkins, City Clerk
 4-22,29, 2004 Adv.

HANCOCK COUNTY COURIER

Published By

THE HANCOCK COURIER PRINTING COMPANY

THE CITY OF NEW CUMBERLAND NOTICE OF PUBLIC HEARING ON ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of New Cumberland (the "City") to be held on Monday, May 3, 2004 at 5:00 p.m. in Council Chambers at the City Hall, 104 North Court Street, New Cumberland, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$280,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was approved by the Council on April 16, 2004.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide permanent financing of the costs of acquisition and construction of betterments, additions and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the City and to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the combined waterworks and sewerage system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

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

Following the public hearing, the Council intends to enact the Ordinance upon final reading.

Dated: April 16, 2004.

/s/Tamera Jenkins
City Clerk

Published: April 22 and 29, 2004
Hancock County Courier

STATE OF WEST VIRGINIA, COUNTY OF HANCOCK

I, Joyce Frain publisher of the HANCOCK COUNTY COURIER, a newspaper published in the CITY OF NEW CUMBERLAND, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates: April 22, 29, 2004

commencing on the 22nd day of April 20 04

Given under my hand this 29th day of April 20 04

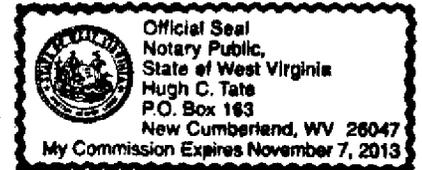
Joyce Frain

Sworn to and subscribed before me this 29th day of

April 20 04

Hugh C. Tate Notary Public

of, in and for HANCOCK
COUNTY, WEST VIRGINIA.



CITY OF NEW CUMBERLAND

**Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)**

**EXCERPT OF MINUTES OF RULES OF PROCEDURE,
SUPPLEMENTAL RESOLUTION AND FIRST DRAW RESOLUTION**

The undersigned Recorder of the City of New Cumberland (the "City") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said City:

The Council of the City met in regular session, pursuant to notice duly posted, on the 7th day of June, 2004, in New Cumberland, West Virginia, at the hour of 5:30 p.m.

PRESENT:	Arthur Watson	-	Mayor
	Tamera Jenkins	-	Recorder
	Corinne Shreve	-	Councilmember
	Howard Hartung	-	Councilmember
	Gale Murray	-	Councilmember
	Robert Mills	-	Councilmember
	James E. Lyons	-	Councilmember
	Richard Blackwell	-	Councilmember

ABSENT:

Arthur Watson, Mayor, presided, and Tamera Jenkins, acted as Recorder. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor presented proposed Rules of Procedure for consideration and there was discussion. Thereupon, upon motion duly made by Blackwell, and seconded by shreve, it was unanimously ordered that the said Rules of Procedure be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE CITY OF NEW CUMBERLAND, APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by the Hartung and seconded by Murray, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Resolution in writing entitled:

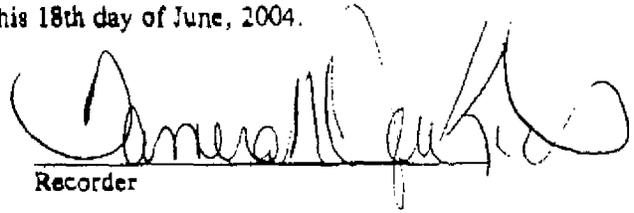
RESOLUTION OF THE COUNCIL OF THE CITY OF NEW CUMBERLAND APPROVING INVOICES RELATING TO THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY AND AUTHORIZING PAYMENT THEREOF

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Shreve and seconded by Mills, it was unanimously ordered that the said Resolution be adopted and be in full force and effect on and from the date hereof.

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the City of New Cumberland and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 18th day of June, 2004.

A handwritten signature in cursive script, appearing to read "Cammie M. Fisher", written over a horizontal line.

Recorder

06/18/04
030000:0000

CH483871.1

Committee Reports

Water Sewage Blackwell stated that Jamegy is on line, we started billing them. We were granted a 90 day extension on the UV Project. Discussion on the Rule 42, this was complete but we had to redo it.

Streets Mayor stated that we sent letters to the owners of the vacant buildings; old hardware, A&S, Air building One was signed for and two were unclaimed. We are having a hearing April 9, 2004. To secure one building will cost approximately \$5,000.00, if the property owners do not secure buildings we will move forward with the Red X ordinance.

Agenda

Humane Control Investigator, mayor stated that when Cari resigned we did not replace this position. Mayor motion to discuss this at a work session.

wV Local Law Enforcement Block Grant mayor stated that we were awarded \$15,093.00 with our match \$1887.00. A motion was made by Blackwell to accept the grant. Second by Shreve. Motion carried. Roll call: Shreve Yes Lyons Yes, Blackwell Yes, Hartung No, Mills No. Motion carried 3-2.

A motion was made by Hartung to approve the second reading of AIV Restrictions ordinance #04-002. Second by Shre. Motion carried, ordinance adopted.

Family Law Court carpeting for judge's chambers and waiting area. Mayor states that we received three bids, Towne Carpet \$1,334.31, Simon Carpet \$1,354.10 and Smitty Carpet \$1,400.00. A motion was made by Mills to accept bid from Towne Carpet. Second by Lyons. Motion approved.

Approval of the plans for the Riverfront Beautification, mayor recommends taking this to a work session for discussion.

Building Enforcement Agency, mayor stated that currently serving on this committee are myself, Richard Blackwell and Jim Lyons. I recommend appointing Laurie Long as the forth member of this agency.

Hire a janitor, mayor stated that we have received two applications, mayor recommends hiring George Hines. A motion was made by Hartung to hire George Hines. Second by Blackwell. Motion carried.

Wall at Clay Street, mayor stated that we requested a quote from Durawall. Mayor motioned for this to be taken to a work session. The quote from Durawall for the City Complex was pulled.

Mayor stated that April 24, 2004 is the City cleanup, twenty yard dumpsters will be placed at the city garage. We will hold city cleanup the week before, total cost for the dumpsters will be approximately \$2,200.00 to \$2,300. Mayor request authorization to enter into agreement with wastemanagement to rent dumpsters for the clean up Tuesday through Friday the 23rd. Approval was given by Blackwell. Second by Shreve. Mayor stated that the funds are to come out of Video Lottery Money.

Computer software upgrade, mayor would like authorization to advertise for bids to upgrade software for Utility Clerk and City Clerk's office. A motion was made by Shreve to advertise. Second by Blackwell. Motion carried.

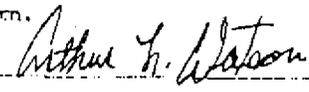
Phone upgrade, mayor request this be taken to a work session for discussion.

Ward Reports

Blacwell introduced Roger Cowen who is running for County Commissioner.

A motion was made by Shreve to adjourn. Second by Blackwell. Meeting adjourn.


Pamela M. Jenkins, City Clerk


Arthur L. Watson, Mayor

Special Session of Council
April 8, 2004

Mayor brought the meeting to order at 5:10 p.m. Those present were Shreve, Blackwell, Hartung, Mills; Bond Council representative from Steptoe and Johnson Vince Collins.

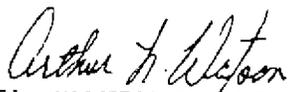
Mayor states that the purpose of the meeting is to approve the reading of the rate ordinance and the bond ordinance on the dechlorination process and the project of the water sewage department.

Mayor read the rate ordinance, a motion was made by Shreve to accept the first reading of the rate ordinance. Second by Blackwell. Roll call: Shreve Yes, Blackwell Yes, Hartung Yes, Mills Yes. Motion carried. First reading of rate ordinance was accepted. The second reading will take place on April 16, 2004.

Mayor read the bond ordinance of the City of New Cumberland. A motion was made by Blackwell to accept the first reading of the bond ordinance was accepted.

A motion was made to adjourn by Mills. Second by Hartung. Meeting adjourn.




Arthur L. Watson, Mayor (*)

Rebecca Atkinson
Rebecca Atkinson, Utility Clerk

----- *Arthur L. Watson* -----
Arthur L. Watson, Mayor (2)

Special Session of Council
April 16, 2004

Mayor brought the meeting to order at 4:00 p.m. This meeting is for the second reading of the Rate and Bond Ordinance. Those present were Blackwell, Shreve, Hartung, Lyons, absent: Mills and Murray.

Mayor read the Rate Ordinance, Shreve made a motion to adopt the ordinance. Second by Hartung. Roll call: Lyons Yes, Shreve Yes, Blackwell Yes, Hartung Yes. Motion carried 4 to 0.

Mayor read the Bond Ordinance, Mayor ask for a motion. Blackwell made a motion to adopt the Bond Ordinance. Hartung had a question, will the 280,000.00 be enough. Mayor stated that there is an additional 130,000 grant. Lyons second the motion. Roll call: Lyons Yes, Shreve Yes, Blackwell Yes, Hartung Yes. Motion carried 4 to 0 on the second reading.

352

Rebecca Atkinson
Rebecca Atkinson, Utility Clerk

Arthur T. Watson
Arthur T. Watson, Mayor

Regular Session of Council
Public Hearing on Rate and Bond Ordinance
May 3, 2004

Mayor brought the meeting to order at 5:00 p.m. Those present were Lyons, Shreve, Blackwell, Hartung, Mills and Murray, representative from Steptoe and Johnson Vince Collins.

Mayor addressed public asking anyone if they would like to speak regarding the rate and bond ordinance if so you could sign in with Becky and then the mayor would address them. Mayor stated that no one appeared or wanted to address the rate and bond ordinance.

Mayor read the rate ordinance. A motion was made by Blackwell to approve the third and final reading of the rate ordinance. Second by Shreve. Roll call: Lyons Yes, Blackwell Yes, Mills Yes, Shreve Yes, Hartung Yes, Murray Yes. Motion carried 6-0.

Mayor read the bond ordinance. Hartung made a motion to approve the third and final reading of the bond ordinance. Second by Mills. Roll call Lyons Yes, Blackwell Yes, Mills Yes, Shreve Yes, Hartung Yes, Murray Yes. Motion carried 6-0.
Vince Collins explained that we will have one more step at a regular council meeting we will need to pass a resolution.

Mayor welcomed boy scouts Dominic Nolfi, Tyler Swan and Sean Notni from troop 38.

A motion to approve the minutes from the previous meeting was made by Shreve. Second by Lyons. Motion carried 6-0.

Community Service Report Mayor read Hines reports to council.

Streets Hartung states they meet and we discussed Video Lottery wish list we would like to pave N. Chestnut, Newman's Hill and Porter Street catch basin, fix the wall at Clay Street and Commerce Street. The street signs, if we want them painted Jim Ewing will do them for \$8.00 - \$9.00 a sign, all we have to do is paint them black and he will powder coat the white on the signs. I received a call from Jeff Long wanting to know if the city would help with the Little League Baseball Jeff was unable to attend today but a letter was given to Becky. Hartung read the letter from Jeff Long, Hartung feels that we need a work session before we make any decision on this.

Mayor has a request from Citizens of New Cumberland, he reads the letter. Mayor would also like to table this letter as well for a work session. Mayor would like to have a work session Wednesday at 7:00 p.m.

Approval to advertise for a new cruiser, mayor states that the police department received a grant. Blackwell made a motion to get a new cruiser with the grant but trade in two

cruisers. Lyons second. Roll call: Lyons Yes, Shreve Yes, Blackwell Yes, Hartung Opposed, Mills Yes, Murray Yes. Motion carried 5-1 opposed.

Purchase a new time clock. Murray made a motion to authorize purchase of a time clock up to \$479.89. Second by Hartung. Motion carried.

Ward Reports

Lyons stated yellow lines by Hopwood cars are parking there and caused someone to get a ticket because they did not see the stop sign mayor will refer this to the police committee.

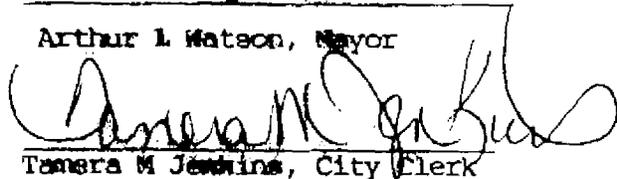
Mills states that the police committee has no control over the police except for finance and safety equipment according to the ordinance. The Mayor and the Police Chief are in charge of enforcing the laws in this town. Mayor stated that Mills is just an extension of the Mayor's authority. Mills stated that this should go to the Police Chief.

Shreve states that Newman's Hill is cracking due to the water runoff, can we patch it now before it gets to bad. Someone else ask me about the street signs.

A motion was made by Blackwell to adjourn. Second by Murray. Meeting adjourn.



Arthur L. Watson, Mayor



Tamara M. Jenkins, City Clerk

WV MUNICIPAL BOND COMMISSION
 8 Capitol Street
 Terminal Building, Suite 500
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: June 18, 2004

ISSUE: City of New Cumberland Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A
 (West Virginia Infrastructure Fund)

ADDRESS: Post Office Box 505, New Cumberland, West Virginia 26047 COUNTY: Hancock

PURPOSE OF ISSUE: New Money: X
 Refunding: _____ REFUNDS ISSUE(S) DATED: _____

ISSUE DATE: June 18, 2004 CLOSING DATE: June 18, 2004

ISSUE AMOUNT: \$ 238,600 RATE: 0%

1ST DEBT SERVICE DUE: June 1, 2005 1ST PRINCIPAL DUE: June 1, 2005

1ST DEBT SERVICE AMOUNT: \$ 1,519.75 PAYING AGENT: WV Municipal Bond Commission

BOND COUNSEL: Step toe & Johnson PLLC UNDERWRITERS COUNSEL: Jackson Kelly PLLC
 Contact Person: John C. Stump, Esquire Contact Person: Samme L. Gee, Esq.
 Phone: (304) 353-8196 Phone: (304) 340-1318

CLOSING BANK: Hancock County Savings Bank ESCROW TRUSTEE: _____
 Contact Person: Barbara Korpos Contact Person: _____
 Phone: (304) 564-3368 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT OTHER: WV Infrastructure & Jobs Development Council
 Contact Person: Arthur Watson Contact Person: Katy Mallory, P.E.
 Position: Mayor Function: Executive Director
 Phone: (304) 564-3383 Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE: _____ Accrued Interest: \$ _____
 By: _____ Wire _____ Capitalized Interest: \$ _____
 _____ Check _____ Reserve Account: \$ _____
 _____ Other: _____ \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE
 By: _____ Wire _____ To Escrow Trustee: \$ _____
 _____ Check _____ To Issuer: \$ _____
 _____ IGT _____ To Cons. Invest. Fund: \$ _____
 _____ To Other: _____ \$ _____

NOTES: Series 2004 A Bonds Reserve Account funded with surety bond from Ambac Assurance Corporation at closing

FOR MUNICIPAL BOND COMMISSION USE ONLY:
 DOCUMENTS REQUIRED: _____
 TRANSFERS REQUIRED: _____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

06/04/04
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CITY OF NEW CUMBERLAND

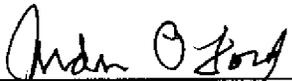
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Hancock County Savings Bank, New Cumberland, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of New Cumberland (the "Issuer") enacted by the Issuer on May 3, 2004, and a Supplemental Resolution adopted by the Issuer on June 7, 2004 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated June 18, 2004, issued in the original aggregate principal amount of \$238,600 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 18th day of June, 2004.

HANCOCK COUNTY SAVINGS BANK

By: 
Its: Authorized Representative

05/26/04
658300.00002

CITY OF NEW CUMBERLAND

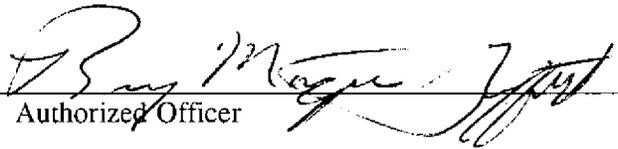
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of New Cumberland Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) (the "Series 2004 Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2004 Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2004 Bonds.

WITNESS my signature on this 18th day of June, 2004.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

CITY OF NEW CUMBERLAND

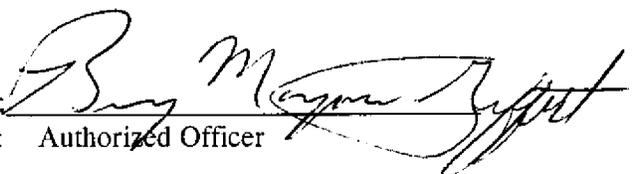
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the City of New Cumberland (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Combined Waterworks and Sewerage System Revenue Bond, Series 2004 A (West Virginia Infrastructure Fund), of the Issuer, dated June 18, 2004, in the principal amount of \$238,600, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 18th day of June, 2004.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

06/04/04
658300.00002

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 18th day of June, 2004, by and between the CITY OF NEW CUMBERLAND, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$238,600 Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted May 3, 2004, and a Supplemental Resolution duly adopted June 7, 2004 (collectively, the "Bond Legislation");

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 Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: City of New Cumberland
Post Office Box 505
New Cumberland, West Virginia 26047
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Hunting Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

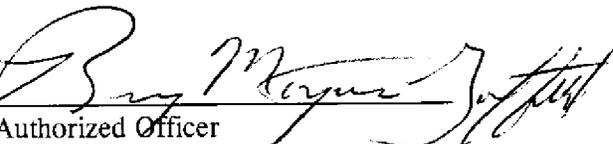
9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto 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 NEW CUMBERLAND

By: 
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

6/4/04
658300.00002

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See attached)

Private Financial Group
P. O. Box 633 WE3013
Charleston, West Virginia 25322-0633



STATEMENT OF TRUSTEE'S FEES
Invoice Date June 7, 2004

City of New Cumberland
Account Number 6089001809

City of New Cumberland
Combined Waterworks and
Sewerage System Revenue Bonds, Series 2004 A
C/O John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR June, 2004

TOTAL AMOUNT	\$	500.00
TOTAL DUE	\$	<u>500.00</u>

- * FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
- * IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
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CITY OF NEW CUMBERLAND

**COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 1994 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)**

BOND ORDINANCE

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CITY OF NEW CUMBERLAND

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$700,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF NEW CUMBERLAND:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The City of New Cumberland (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State.

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of a secondary sewage treatment facility, together with all appurtenant facilities, including a conventional gravity vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station already constructed (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System") at an estimated cost of not more than \$4,600,000, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Bonds (as hereinafter defined) and to make payments into all Sinking Funds, Reserve Accounts and other payments provided for herein and in the Series 1994 B Bonds Ordinance (as hereinafter defined).

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), in the total aggregate principal amount of not more than \$700,000 (the "Series 1994 A Bonds"), initially to be represented by a single bond, to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 1994 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 1994 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the West Virginia Water Development Authority (the "Authority"), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1994 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1994 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 1994 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into by and between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by supplemental resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 1994 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program) (the "Series 1994 B Bonds"), issued concurrently with the Series 1994 A Bonds, pursuant to an ordinance enacted by the Issuer simultaneously herewith on October 3, 1994 (the "Series 1994 B Bonds Ordinance"). The Issuer has met the parity test requirements of the Series 1994 B Bonds and the Series 1994 B Bonds Ordinance. Other than the Series 1994 B Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1994 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the date of issuance of the Series 1994 A Bonds or such final order will not be subject to appeal.

I. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1994 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1994 A Bonds and the Series 1994 B Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of Series 1994 A Bonds by the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be

performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1994 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

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

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

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

"Bonds" means, collectively, the Series 1994 A Bonds, the Series 1994 B Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 1994 A Bonds for the proceeds representing the purchase price of the Series 1994 A Bonds from the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations.

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

"Consulting Engineers" means KLH Engineers, Inc., Pittsburgh, Pennsylvania, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

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

"Council" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

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

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

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

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

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

"Grant" means all moneys received by the Issuer on account of any Grant.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Loan Agreement" means the Loan Agreement to be entered into between the Authority and the Issuer, providing for the purchase of the Series 1994 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1994 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1994 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1994 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1994 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 1994 A Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, as hereinafter defined, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses

of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), 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 Series 1994 A Bonds or the Series 1994 B Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

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

"Project" means the acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of a secondary sewage treatment facility, together with all appurtenant facilities, including a conventional gravity

vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station already constructed.

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;
- (g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said

repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

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

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve account established for the Series 1994 A Bonds and the Series 1994 B Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any reserve account for the Bonds.

"Revenue Fund" means the Revenue Fund established by Section 5.01 hereof.

"Series 1994 A Bonds" means the not more than \$700,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 1994 A Bonds Construction Trust Fund" means the Series 1994 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 1994 A Bonds Reserve Account" means the Series 1994 A Bonds Reserve Account established in the Series 1994 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1994 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1994 A Bonds in the then current or any succeeding year.

"Series 1994 A Bonds Sinking Fund" means the Series 1994 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1994 B Bonds" means the not more than \$600,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer.

"Series 1994 B Bonds Ordinance" means the ordinance of the Issuer enacted simultaneously herewith on October 3, 1994, authorizing the Series 1994 B Bonds.

"Series 1994 B Bonds Reserve Account" means the Series 1994 B Bonds Reserve Account established in the Series 1994 B Bonds Sinking Fund pursuant to Section 5.02 of the Series 1994 B Bonds Ordinance.

"Series 1994 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1994 B Bonds in the then current or any succeeding year.

"Series 1994 B Bonds Sinking Fund" means the Series 1994 B Bonds Sinking Fund established by Section 5.02 of the Series 1994 B Bonds Ordinance.

"Sinking Funds" means, collectively, the respective sinking fund established for the Series 1994 A Bonds and the Series 1994 B Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 1994 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1994 A Bonds, and not so included may be included in another Supplemental Resolution.

"System" means the complete public combined waterworks and sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$4,600,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1994 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority.

The cost of the Project is estimated not to exceed \$4,600,000, of which approximately \$700,000 will be obtained from proceeds of the Series 1994 A Bonds, approximately \$600,000 will be obtained from proceeds of the Series 1994 B Bonds, approximately \$2,500,000 from a grant by the United States Environmental Protection Agency, and approximately \$750,000 from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia).

The Project consists of two phases. The first phase of the Project, which has been completed, consists of the construction of a conventional gravity vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station. This phase of the Project has been paid with a portion of the grant from the United States Environmental Protection Agency and the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia). The second phase of the Project, which has yet to be constructed, consists of the construction of a secondary sewage treatment plant, together with all appurtenant facilities. This phase of the Project will be paid with the remaining portion of the grant from the United States Environmental Protection Agency and the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) and the proceeds of the Series 1994 A Bonds and the Series 1994 B Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1994 A Bonds, funding a reserve account for the Series 1994 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 1994 A Bonds of the Issuer. The Series 1994 A Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bond, Series 1994 A (West Virginia Water Development Authority)," in the principal amount of not more than \$700,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1994 A Bonds remaining after funding of the Series 1994 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1994 A Bonds, if any, shall be deposited in or credited to the Series 1994 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 1994 A Bonds shall bear interest at such rate or rates, not exceeding the then legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1994 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 1994 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 1994 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1994 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1994 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

The registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in

writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1994 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1994 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1994 A Bonds Sinking Fund and the Series 1994 A Bonds Reserve Account. No holder or holders of any of the Series 1994 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1994 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of all Series 1994 A Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the System, on parity with the lien on the Gross Revenues in favor of the Holders of the Series 1994 B Bonds.

Such Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1994 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1994 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 1994 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1994 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 1994 A Bonds.

Section 3.10. Form of Series 1994 A Bonds. The text of the Series 1994 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 1994 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF NEW CUMBERLAND
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1994 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-_____

\$_____

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

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning _____ 1, 199____. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated _____, 199_____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) [to pay interest on the Bonds of this Series (the "Bonds") during construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv)] to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM), DATED _____, 1994, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 1994 B BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Gross Revenues in favor of the Holders of the Series 1994 B Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1994 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the moneys in the Series 1994 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien

on or payable from such revenues prior to or on a parity with the Bonds, including the Series 1994 B Bonds; provided however, that so long as there exists in the Series 1994 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, including the Series 1994 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF NEW CUMBERLAND has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199_____.

[SEAL]

Mayor

ATTEST:

City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1994 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199____.

ONE VALLEY BANK, NATIONAL
ASSOCIATION,
as Registrar

Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1994 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Series 1994 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or confirmed if concurrently established by the Series 1994 B Bonds Ordinance) with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 1994 A Bonds Sinking Fund;
- (2) Within the Series 1994 A Bonds Sinking Fund, the Series 1994 A Bonds Reserve Account;
- (3) Series 1994 B Bonds Sinking Fund (established by the Series 1994 B Bonds Ordinance); and
- (4) Within the Series 1994 B Bonds Sinking Fund, the Series 1994 B Bonds Reserve Account (established by the Series 1994 B Bonds Ordinance).

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and in the Series 1994 B Bonds Ordinance and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Series 1994 B Bonds Ordinance. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

- (1) The Issuer shall first, (i) on the first day of each month, commencing 7 months prior to the first date of payment of interest on the

Series 1994 A Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 A Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 1994 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1994 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date, (ii) simultaneously with the transfer set forth in subsection 5.03A(1)(i), on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1994 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 A Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 1994 A Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1994 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date, and (iii) simultaneously with the transfers set forth in subsections 5.03A(1)(i) and (ii), on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by the Series 1994 B Bonds Ordinance to be deposited in the Series 1994 B Bonds Sinking Fund for payment of the principal of and interest, if any, on the Series 1994 B Bonds.

(2) The Issuer shall next, (i) on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1994 A Bonds, if not fully funded upon issuance of the Series 1994 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1994 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1994 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1994 A Bonds Reserve Requirement, and (ii) simultaneously with the transfer set forth in subsection 5.03A(2)(i), on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Series 1994 B Bonds Ordinance to be deposited in the Series 1994 B Bonds Reserve Account.

(3) Thereafter, the Issuer shall, each month, pay from the Revenue Fund current Operating Expenses of the System.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, commencing with the first month in which any of the above payments shall be payable from the Revenue Fund, transfer to the 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 Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds 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 Renewal and Replacement Fund.

Moneys in the Series 1994 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1994 A Bonds as the same shall become due. Moneys in the Series 1994 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1994 A Bonds as the same shall come due, when other moneys in the Series 1994 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1994 A Bonds Sinking Fund and the Series 1994 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 1994 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 1994 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1994 A Bonds Reserve Account which result in a reduction in the balance of the Series 1994 A Bonds Reserve Account to below the Series 1994 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full to the Series 1994 A Bonds Sinking Fund and the Series 1994 B Bonds Sinking Fund.

As and when additional Bonds ranking on a parity with the Series 1994 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish

retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 1994 A Bonds Sinking Fund, or the Series 1994 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1994 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal and interest payments, and any payments made for the purpose of funding a deficiency in any Reserve Account, shall be made on a parity and pro rata, with respect to the Series 1994 A Bonds and the Series 1994 B Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1994 A Bonds Sinking Fund and the Series 1994 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 1994 A Bonds Sinking Fund and the Series 1994 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1994 A Bonds Sinking Fund, including the Series 1994 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1994 A Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1994 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges, fees and expenses then due.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the 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; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and Section 5.03 of the Series 1994 B Bonds Ordinance, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

G. All remittances made by the Issuer 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.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1994 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1994 A Bonds or from other funds available to the Issuer, there shall first be deposited with the Commission in the Series 1994 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1994 A Bonds for the period commencing on the date of issuance of the Series 1994 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1994 A Bonds or from other funds available to the Issuer, there shall be deposited with the Commission in the Series 1994 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1994 A Bonds Reserve Account.

C. Next, from the proceeds of the Series 1994 A Bonds, there shall first be credited to the Series 1994 A Bonds Construction Trust Fund and then paid, any and all other borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project and any borrowings by the Issuer from the Authority, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. The remaining moneys derived from the sale of the Series 1994 A Bonds shall be deposited with the Depository Bank in the Series 1994 A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 1994 A Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Series 1994 A Bonds Construction Trust Fund set forth in the Bond Legislation. Moneys in the Series 1994 A Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1994 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

Payments for Costs of the Project shall be made monthly. Except as provided in Section 6.01 hereof, disbursements from the Series 1994 A Bonds Construction Trust Fund (except for the costs of issuance of the Series 1994 A Bonds which shall be made upon request of the Issuer); shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 1994 A Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 1994 A Bonds Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Series 1994 A Bonds 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 Series 1994 A Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, and all Costs have been paid, the Depository Bank shall transfer any moneys remaining in the Series 1994 A Bonds Construction Trust Fund to the Series 1994 A Bonds Reserve Account, and when fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund; provided that, in no event shall more than 10% of the proceeds of the Series 1994 A Bonds be deposited in the Series 1994 A Bonds Reserve Account and any balance in excess of said amounts shall be returned to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments due on the Series 1994 A Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1994 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1994 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1994 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1994 A Bonds shall not be nor constitute an indebtedness of the Issuer 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 Bond Legislation. No Holder or Holders of the Series 1994 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1994 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 1994 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on said Gross Revenues in favor of the Holders of the Series 1994 B Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The initial schedule of water and sewer rates and charges for the services and facilities of the System shall be as set forth respectively in the water rate ordinance of the Issuer enacted April 4, 1994, and the Final Order of the Public Service Commission of West Virginia, entered August 31, 1994, in Case No. 94-0319-S-MA, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. Except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds

from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1994 A Bonds, immediately be remitted to the Commission for deposit in the Series 1994 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 1994 A Bonds. Any balance remaining after the payment of all the Series 1994 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Series 1994 A Bonds Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Series 1994 A Bonds Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1994 A Bonds. All obligations issued by the Issuer after the issuance of the Series 1994 A Bonds and payable from the revenues of the System, except additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 1994 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the 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 Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1994 A Bonds.

No such 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 Series 1994 A Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public 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 for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate

amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Within 30 days of the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate acquisition or construction of such extensions, additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1994 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1994 A Bonds.

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

Notwithstanding the foregoing, or any provision of Section 7.06 hereof to the contrary, additional Parity Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of the Parity Bonds.

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

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

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

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

The Issuer shall file with the Consulting Engineers, the Authority, or any other original purchaser of the Series 1994 A Bonds, and shall mail in each year to any Holder or Holders of the Series 1994 A Bonds, requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 1994 A Bonds and shall submit said report to the Authority, or any other original purchaser of the Series 1994 A Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

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

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law,

and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 1994 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1994 A Bonds, including the Series 1994 B Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 1994 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 1994 A Bonds, including the Series 1994 B Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 1994 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1994 A Bonds, including the Series 1994 B Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

Section 7.10. Operating Budget; Audit and Monthly Financial Report.

The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her 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.

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

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

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

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

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

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

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

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

- (1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent

available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer and the Issuer from claims for bodily injury and/or death and not less than \$500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the facilities of the System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided for every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the sewerage facilities portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State 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 sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the sewerage facilities portion 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 sewerage facilities portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement and all applicable

laws, rules and regulations issued by the Authority, or other State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. **PRIVATE BUSINESS USE LIMITATION.** The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1994 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1994 A Bonds during the term thereof is, under the terms of the Series 1994 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1994 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1994 A Bonds during the term thereof is, under the terms of the Series 1994 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1994 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1994 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. **PRIVATE LOAN LIMITATION.** The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1994 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1994 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. **INFORMATION RETURN.** The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1994 A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1994 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1994 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1994 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Series 1994 B Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

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

Section 8.02. Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1994 A Bonds which would cause the Series 1994 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 1994 A Bonds) so that the interest on the

Series 1994 A Bonds will be and remain excludable from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1994 A Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1994 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1994 A Bonds are issued does not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect applicable to the Series 1994 A Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 A Bonds. In the event of a failure to pay any such amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be

requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1994 A Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

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

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

(2) If default occurs in the Issuer's or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Bonds set forth in this Bond Legislation, any supplemental resolution or in the Bonds, and such default shall have continued for a period of 30 days after the Issuer or Issuer, as appropriate shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

(4) If default occurs with respect to the Series 1994 B Bonds or the Series 1994 B Bonds Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1994 A Bonds shall be on a parity with the Holders of the Series 1994 B Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any

Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1994 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1994 A Bonds from gross income for federal income tax purposes.

Series 1994 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1994 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1994 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1994 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1994 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1994 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1994 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Series 1994 A Bonds from gross income of the Holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Series 1994 B Bonds Ordinance, the Supplemental Resolutions thereto, or the Bonds.

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

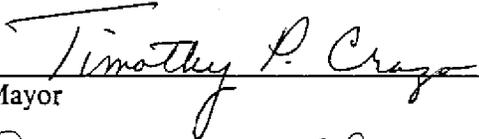
Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Series 1994 B Bonds Ordinance, the more restrictive provision shall control.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

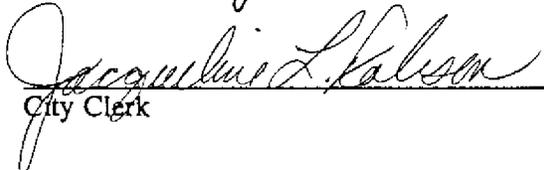
Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Hancock County Courier, a newspaper published and of general circulation in the City of New Cumberland, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Council upon a date certain, 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 Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading: - September 12, 1994
Passed on Second Reading: - September 19, 1994
Passed on Final Reading
Following Public
Hearing: - October 3, 1994



Mayor



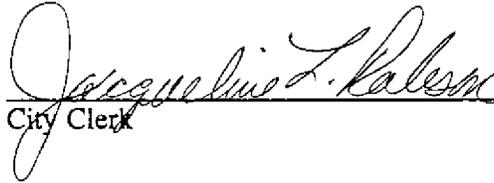
City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF NEW CUMBERLAND on the 3rd day of October, 1994.

Dated: October 27, 1994.

[SEAL]



City Clerk

10/06/94
NCC.A4
658300/94001

EXHIBIT A

[Loan Agreement attached to bond transcript as Document 3.]

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE CITY OF NEW CUMBERLAND; AUTHORIZING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the City of New Cumberland (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective October 3, 1994 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$700,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF

SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer (the "Bonds" or the "Series 1994 A Bonds"), in the aggregate principal amount not to exceed \$700,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price 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 Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$647,121. The Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2033, and shall bear interest at the rate of 6.75% per annum, payable semiannually on April 1 and October 1 of each year, beginning April 1, 1995. The Bonds shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 1996, and ending October 1, 2033, and in the amounts as set forth in "Schedule X" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, 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 Issuer and the Registrar, in substantially the form attached hereto, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

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

Section 6. The Issuer does hereby appoint Hancock County Savings Bank, New Cumberland, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1994 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 1994 A Bonds Sinking Fund, as capitalized interest. The Issuer shall

deposit \$60,441 in the Series 1994 A Bonds Sinking Fund as capitalized interest with other funds available to the Issuer.

Section 8. Series 1994 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 1994 A Bonds Reserve Account. The Issuer shall deposit \$47,664 in the Series 1994 A Bonds Reserve Account with other funds available to the Issuer.

Section 9. Series 1994 A Bonds proceeds or other funds of the Issuer in the amount of \$4,444 shall be paid to the Authority to pay in full the principal of and interest accrued on all borrowings by the Issuer from the Authority for financing the planning and design of sewerage facilities for the System.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 1994 A Bonds Construction Trust Fund for payment of Costs of the Project, including costs of issuance of the Bonds and related costs.

Section 11. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about October 27, 1994, to the Authority pursuant to the Loan Agreement.

Section 12. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 1994 A Bonds Sinking Fund, including the Series 1994 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

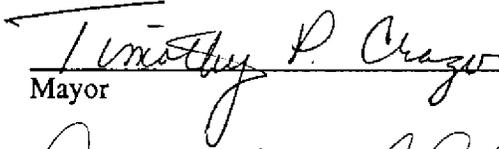
Section 14. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 15. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than \$5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1994, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

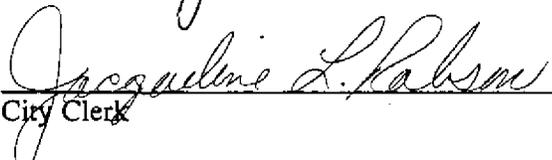
Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 12th day of October, 1994.

CITY OF NEW CUMBERLAND



Mayor



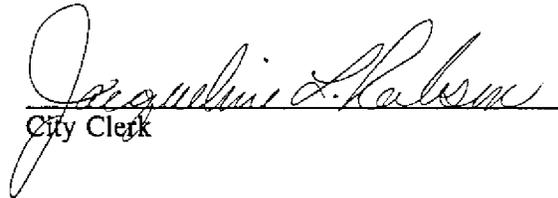
City Clerk

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of New Cumberland on the 12th day of October, 1994.

Dated: October 27, 1994.

[SEAL]


City Clerk

10/11/94
NCC.L3
658300/94001

CITY OF NEW CUMBERLAND

**COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 1994 B
(WEST VIRGINIA SRF PROGRAM)**

BOND ORDINANCE

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CITY OF NEW CUMBERLAND

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF NEW CUMBERLAND:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of New Cumberland (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State.

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of a secondary sewage treatment facility, together with all appurtenant facilities, including a conventional gravity vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station already constructed (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System") at an estimated cost of not more than \$4,600,000, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance such costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), in the total aggregate principal amount of not more than \$600,000 (the "Series 1994 B Bonds"), initially to be represented by a single bond, to permanently finance costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 1994 B Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 1994 B Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1994 B Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1994 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 20 years.

F. It is in the best interests of the Issuer that its Series 1994 B Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 1994 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority) (the "Series 1994 A Bonds"), issued concurrently with the Series 1994 B Bonds, pursuant to an ordinance enacted by the Issuer simultaneously herewith on October 3, 1994 (the "Series 1994 A Bonds Ordinance"). The Issuer has met the parity test requirements of the Series 1994 A Bonds and the Series 1994 A Bonds Ordinance. Other than the Series 1994 A Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Bonds (as hereinafter defined) and to make payments into all Sinking Funds, Reserve Accounts and other payments provided for herein and in the Series 1994 A Bonds Ordinance, all as such terms are hereinafter defined.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1994 B Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 1994 B Bonds or such final order will not be subject to appeal.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1994 B Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of

Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than \$5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1994 A Bonds and the Series 1994 B Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1994 B Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1994 B Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

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

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

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

"Bonds" means, collectively, the Series 1994 B Bonds, the Series 1994 A Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 1994 B Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1994 B Bonds from the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations.

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

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

"Consulting Engineers" means KLH Engineers, Inc., Pittsburgh, Pennsylvania, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

"Council" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"DEP" means 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 to the functions of the DEP.

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

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

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

"Governing Body" means the Council of the Issuer.

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

"Grant" means all moneys received by the Issuer on account of any Grant.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into among the Authority, the DEP and the Issuer, providing for the purchase of the Series 1994 B Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1994 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds,

if any, deposited in the Series 1994 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1994 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1994 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 1994 B Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, as hereinafter defined, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), 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 Series 1994 A Bonds or the Series 1994 B Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of

Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Project" means the acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of a secondary sewage treatment facility, together with all appurtenant facilities, including a conventional gravity vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station already constructed.

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Coöperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

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

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

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

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01 of the Series 1994 A Bonds Ordinance.

"Reserve Accounts" means, collectively, the respective reserve account established for the Series 1994 A Bonds and the Series 1994 B Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any reserve account for the Bonds.

"Revenue Fund" means the Revenue Fund established by Section 5.01 of the Series 1994 A Bonds Ordinance.

"Series 1994 A Bonds" means the not more than \$700,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer.

"Series 1994 A Bonds Ordinance" means the ordinance of the Issuer enacted simultaneously herewith on October 3, 1994, authorizing the Series 1994 A Bonds.

"Series 1994 A Bonds Reserve Account" means the Series 1994 A Bonds Reserve Account established in the Series 1994 A Bonds Sinking Fund pursuant to Section 5.02 of the Series 1994 A Bonds Ordinance.

"Series 1994 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1994 A Bonds in the then current or any succeeding year.

"Series 1994 A Bonds Sinking Fund" means the Series 1994 A Bonds Sinking Fund established by Section 5.02 of the Series 1994 A Bonds Ordinance.

"Series 1994 B Bonds" means the not more than \$600,000 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 1994 B Bonds Construction Trust Fund" means the Series 1994 B Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 1994 B Bonds Reserve Account" means the Series 1994 B Bonds Reserve Account established in the Series 1994 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1994 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1994 B Bonds in the then current or any succeeding year.

"Series 1994 B Bonds Sinking Fund" means the Series 1994 B Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking fund established for the Series 1994 A Bonds and the Series 1994 B Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 1994 B Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1994 B Bonds, and not so included may be included in another Supplemental Resolution.

"System" means the complete public combined waterworks and sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed \$4,600,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1994 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of the Project is estimated not to exceed \$4,600,000, of which approximately \$700,000 will be obtained from proceeds of the Series 1994 A Bonds, approximately \$600,000 will be obtained from proceeds of the Series 1994 B Bonds, approximately \$2,500,000 from a grant by the United States Environmental Protection Agency, and approximately \$750,000 from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia).

The Project consists of two phases. The first phase of the Project, which has been completed, consists of the construction of a conventional gravity vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station. This phase of the Project has been paid with a portion of the grant from the United States Environmental Protection Agency and the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia). The second phase of the Project, which has yet to be constructed, consists of the construction of a secondary sewage treatment plant, together with all appurtenant facilities. This phase of the Project will be paid with the remaining portion of the grant from the United States Environmental Protection Agency and the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) and the proceeds of the Series 1994 A Bonds and the Series 1994 B Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1994 B Bonds, funding a reserve account for the Series 1994 B Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 1994 B Bonds of the Issuer. The Series 1994 B Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bond, Series 1994 B (West Virginia SRF Program)", in the principal amount of not more than \$600,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1994 B Bonds remaining after funding of the Series 1994 B Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1994 B Bonds, if any, shall be deposited in or credited to the Series 1994 B Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 1994 B Bonds shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 1994 B Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1994 B Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1994 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 1994 B Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1994 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 1994 B Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 1994 B Bonds shall cease to be such officer of the Issuer before the Series 1994 B Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 1994 B Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1994 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1994 B Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1994 B Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 1994 B Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1994 B Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 1994 B Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 1994 B Bonds or transferring the registered Series 1994 B Bonds are exercised, all Series 1994 B Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1994 B Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1994 B Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 1994 B Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1994 B Bonds or, in the case of any proposed redemption of Series 1994 B Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1994 B Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1994 B Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1994 B Bonds Sinking Fund and the Series 1994 B Bonds Reserve Account. No holder or holders of the Series 1994 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1994 B Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of all Series 1994 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the System, on parity with the lien on the Gross Revenues in favor of the Holders of the Series 1994 A Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1994 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1994 B Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 1994 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1994 B Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 1994 B Bonds.

Section 3.10. Form of Series 1994 B Bonds. The text of the Series 1994 B Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[FORM OF SERIES 1994 B BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF NEW CUMBERLAND
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1994 B
(West Virginia SRF Program)

No. BR-_____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF NEW CUMBERLAND, a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on _____ 1, _____ 1, _____ 1 and _____ 1 of each year, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, dated _____, 19____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. The existing public combined

waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 1994, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE "SERIES 1994 A BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Gross Revenues in favor of the Holders of the Series 1994 A Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1994 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Gross Revenues, the moneys in the Series 1994 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, 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 Series 1994 A Bonds; provided however, that so long as there exists in the Series 1994 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding

year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, including the Series 1994 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, the CITY OF NEW CUMBERLAND has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199____.

[SEAL]

Mayor

ATTEST:

City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1994 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199 ____.

ONE VALLEY BANK,
NATIONAL ASSOCIATION,
as Registrar

Authorized Officer

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 Issuer with full power of
substitution in the premises.

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1994 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created (or confirmed if concurrently established by the Series 1994 A Bonds Ordinance) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund (established by the Series 1994 A Bonds Ordinance);
- (2) Renewal and Replacement Fund (established by the Series 1994 A Bonds Ordinance); and
- (3) Series 1994 B Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or confirmed if concurrently established by the Series 1994 A Bonds Ordinance) with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 1994 A Bonds Sinking Fund (established by the Series 1994 A Bonds Ordinance);
- (2) Within the Series 1994 A Bonds Sinking Fund, the Series 1994 A Bonds Reserve Account (established by the Series 1994 A Bonds Ordinance);
- (3) Series 1994 B Bonds Sinking Fund; and
- (4) Within the Series 1994 B Bonds Sinking Fund, the Series 1994 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and in the Series 1994 A Bonds Ordinance and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Series 1994 A Bonds Ordinance. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, (i) on the first day of each month, commencing 4 months prior to the first date of payment of principal of the Series 1994 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1994 B 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 1994 B Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments 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, and (ii) simultaneously with the transfer set forth in subsection 5.03A(1)(i), on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by the Series 1994 A Bonds Ordinance to be deposited in the Series 1994 A Bonds Sinking Fund for payment of the principal of and interest on the Series 1994 A Bonds.

(2) The Issuer shall next, (i) on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1994 B Bonds, if not fully funded upon issuance of the Series 1994 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1994 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1994 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1994 B Bonds Reserve Requirement, and (ii) simultaneously with the transfer set forth in subsection 5.03A(2)(i), on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Series 1994 A Bonds Ordinance to be deposited in the Series 1994 A Bonds Reserve Account.

(3) Thereafter, the Issuer shall, each month, pay from the Revenue Fund current Operating Expenses of the System.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, commencing with the first month in which any of the above payments shall be payable from the Revenue Fund, as set forth in the Series 1994 A Bonds Ordinance and not in addition thereto, transfer to the 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 Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the

Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds 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 Renewal and Replacement Fund.

Moneys in the Series 1994 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 1994 B Bonds as the same shall become due. Moneys in the Series 1994 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1994 B Bonds as the same shall come due, when other moneys in the Series 1994 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1994 B Bonds Sinking Fund and the Series 1994 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 1994 B Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due, if any, on the Series 1994 B Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1994 B Bonds Reserve Account which result in a reduction in the balance of the Series 1994 B Bonds Reserve Account to below the Series 1994 B Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full to the Series 1994 A Bonds Sinking Fund and the Series 1994 B Bonds Sinking Fund.

As and when additional Bonds ranking on a parity with the Series 1994 B Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 1994 B Bonds Sinking Fund, or the Series 1994 B Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1994 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal and interest payments, and any payments made for the purpose of funding a deficiency in any Reserve Account, shall be made on a parity and pro rata, with respect to the Series 1994 A Bonds and Series 1994 B Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1994 B Bonds Sinking Fund and the Series 1994 B Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 1994 B Bonds Sinking Fund and the Series 1994 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1994 B Bonds Sinking Fund, including the Series 1994 B Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1994 B Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1994 B Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

C. The Issuer shall complete the "Monthly Payment Form," a form of which 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 5th day of such calendar month.

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges, fees and expenses then due. The Issuer shall also remit from the Revenue Fund to the Authority, on such dates as

the Authority shall require, the Issuer's allocable share of reasonable administrative expenses, if any, incurred by the Authority with respect to the SRF Program.

F. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the 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.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and Section 5.03 of the Series 1994 A Bonds Ordinance, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1994 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1994 B Bonds, there shall first be deposited with the Commission in (i) the Series 1994 A Bonds Sinking Fund and (ii) the Series 1994 B Bonds Sinking Fund, the amounts, if any, set forth in the respective Supplemental Resolutions as capitalized interest; provided, that such amounts may not exceed the amount necessary to pay interest on the Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1994 B Bonds, there shall be deposited with the Commission in (i) the Series 1994 A Bonds Reserve Account and (ii) the Series 1994 B Bonds Reserve Account, the amounts, if any, set forth in the respective Supplemental Resolutions for funding the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Reserve Account.

C. Next, from the proceeds of the Series 1994 B Bonds, there shall first be credited to the Series 1994 B Bonds Construction Trust Fund and then paid, any and all other borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project and any borrowings by the Issuer from the Authority, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1994 B Bonds, such moneys shall be deposited with the Depository Bank in the Series 1994 B Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 1994 B Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Series 1994 B Bonds Construction Trust Fund set forth in the Bond Legislation. Moneys in the Series 1994 B Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1994 B Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

On or before the Closing Date, the Issuer shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Series 1994 B Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 1994 B Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 1994 B Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 1994 B Bonds Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Series 1994 B Bonds 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 Series 1994 B Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1994 B Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1994 B Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1994 B Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1994 B Bonds shall not be nor constitute an indebtedness of the Issuer 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 Bond Legislation. No Holder or Holders of any Series 1994 B Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1994 B Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 1994 B Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on parity with the lien on said Gross Revenues in favor of the Holders of the Series 1994 A Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The initial schedule of water and sewer rates and charges for the services and facilities of the System shall be as set forth respectively in the water rate ordinance of the Issuer enacted April 4, 1994, and the Final Order of the Public Service Commission of West Virginia, entered August 31, 1994, in Case No. 94-0319-S-MA, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. Except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds

from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1994 B Bonds, immediately be remitted to the Commission for deposit in the Series 1994 B Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 1994 B Bonds. Any balance remaining after the payment of all the Series 1994 B Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Series 1994 B Bonds Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Series 1994 B Bonds Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1994 B Bonds. All obligations issued by the Issuer after the issuance of the Series 1994 B Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 1994 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the 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 Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. 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 Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1994 B Bonds.

No such 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 Series 1994 B Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public 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 for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements

to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Within 30 days of the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate acquisition or construction of such extensions, additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for

and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1994 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1994 B Bonds.

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

Notwithstanding the foregoing, or any provision of Section 7.06 hereof to the contrary, additional Parity Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority and the DEP submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority and the DEP to the issuance of the Parity Bonds.

Section 7.08. Books; Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority 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 Issuer 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 or any grants or other sources of financing for the Project.

The Issuer 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 Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and

correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1994 B Bonds, and shall mail in each year to any Holder or Holders of the Series 1994 B Bonds, requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 1994 B Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 1994 B Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

The Issuer 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 Issuer 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 Issuer 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 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1994 B Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1994 B Bonds, including the Series 1994 A Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 1994 B Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 1994 B Bonds, including the Series 1994 A Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1994 B Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1994 B Bonds, including the Series 1994 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

Section 7.10. Operating Budget; Audit and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such

increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her 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.

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit B, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

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

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer 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 Issuer 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 the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

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

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

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

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates

be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 1994 B Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will

be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the System facilities are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall 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.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the sewerage facilities portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State 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 sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and

every such owner, tenant or occupant shall, after a 30 day notice of the availability of the sewerage facilities portion 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 sewerage facilities portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

The Issuer also agrees 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 acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1994 B Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1994 B Bonds during the term thereof is, under the terms of the Series 1994 B Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1994 B Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1994 B Bonds during the term thereof is, under the terms of the Series 1994 B Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property

used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1994 B Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1994 B Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. **PRIVATE LOAN LIMITATION.** The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1994 B Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1994 B Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. **INFORMATION RETURN.** The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1994 B Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. **FURTHER ACTIONS.** The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1994 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1994 B Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1994 B Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Series 1994 A Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

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

Section 8.02. Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1994 B Bonds which would cause the Series 1994 B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 1994 B Bonds) so that the interest on the Series 1994 B Bonds will be and remain excludable from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1994 B Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1994 B Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1994 B Bonds are issued does not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect applicable to the Series 1994 B Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 B Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 B Bonds. In the event of a failure to pay any such amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

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

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1994 B Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

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

- (1) If default occurs in the due and punctual payment of the principal of or interest on any Bonds; or
- (2) If default occurs in the Issuer's or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Bonds set forth in this Bond Legislation, any supplemental resolution or in the Bonds, and such default shall have continued for a period of 30 days after the Issuer or Issuer, as appropriate shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or
- (3) If the Issuer or Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
- (4) If default occurs with respect to the Series 1994 A Bonds or the Series 1994 A Bonds Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1994 B Bonds shall be on a parity with the Holders of the Series 1994 A Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any

Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 1994 B Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1994 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1994 B Bonds from gross income for federal income tax purposes.

Series 1994 B Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1994 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1994 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1994 B Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1994 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1994 B Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1994 B Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66 2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 1994 B Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Series 1994 A Bonds Ordinance, the Supplemental Resolutions thereto, or the Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Series 1994 A Bonds Ordinance, the more restrictive provision shall control.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

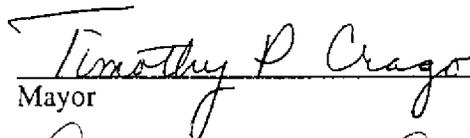
Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Hancock County Courier, a newspaper published and of general circulation in the City of New Cumberland, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than 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 Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

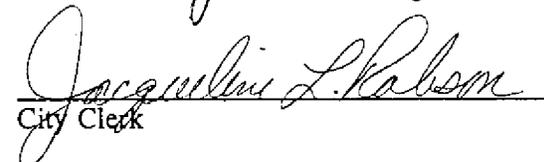
Passed on First Reading: - September 12, 1994

Passed on Second Reading: - September 19, 1994

Passed on Final Reading
Following Public
Hearing: - October 3, 1994



Mayor



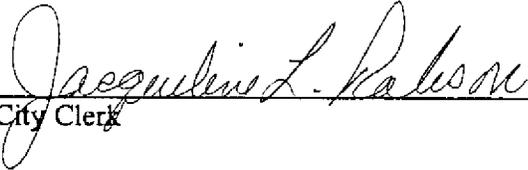
City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF NEW CUMBERLAND on the 3rd day of October, 1994.

Dated: October 27, 1994.

[SEAL]



City Clerk

10/06/94
NCC.B4
658300/94001

EXHIBIT A

[Loan Agreement attached to bond transcript as Document 6.]

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 B (West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF NEW CUMBERLAND; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the City of New Cumberland (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective October 3, 1994 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS;

APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer (the "Bonds" or the "Series 1994 B Bonds"), in the aggregate principal amount not to exceed \$600,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "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 Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price 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 Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$498,666. The Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2016, and shall bear no interest. The Bonds shall be payable in quarterly installments of principal on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1996, and ending March 1, 2016, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby ratify, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application 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 of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, 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 Issuer and the Registrar, in substantially the form attached hereto, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

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

Section 6. The Issuer does hereby appoint Hancock County Savings Bank, New Cumberland, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1994 B Bonds proceeds in the amount of \$60,441 shall be deposited in the Series 1994 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1994 B Bonds proceeds in the amount of \$-0- shall be deposited in the Series 1994 B Bonds Sinking Fund, as capitalized interest.

Section 9. Series 1994 B Bonds proceeds in the amount of \$47,664 shall be deposited in the Series 1994 A Bonds Reserve Account.

Section 10. Series 1994 B Bonds proceeds in the amount of \$24,936 shall be deposited in the Series 1994 B Bonds Reserve Account.

Section 11. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 1994 B Bonds Construction Trust Fund as received from time to time for payment of Costs of the Project, including costs of issuance of the Bonds and related costs.

Section 12. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about October 27, 1994, to the Authority pursuant to the Loan Agreement.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 1994 B Bonds Sinking Fund, including the Series 1994 B Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

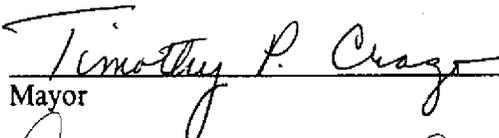
Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 16. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than \$5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1994, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

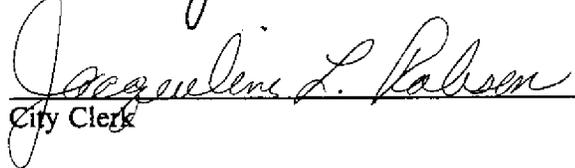
Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 12th day of October, 1994.

CITY OF NEW CUMBERLAND



Mayor



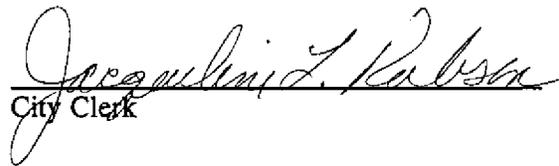
City Clerk

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of New Cumberland on the 12th day of October, 1994.

Dated: October 27, 1994.

[SEAL]


City Clerk

10/11/94
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WEST VIRGINIA

Water Development Authority

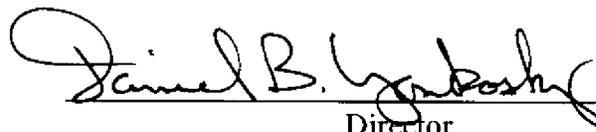
Celebrating 30 Years of Service 1974 - 2004

June 18, 2004

City of New Cumberland
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2004 A (West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of the Issuer's certified public accountant delivered on the date hereof, the undersigned duly authorized representative for the West Virginia Water Development Authority (the "Authority"), the registered owner of the entire outstanding aggregate principal amount of the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority) and the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program) (collectively, the "Prior Bonds") of the City of New Cumberland, West Virginia (the "Issuer"), hereby consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), in the original aggregate principal amount of \$238,600 (the "Bonds"), by the Issuer, under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Prior Bonds.



Director

Renewal of No. 534-93-01
 Policy No. RM CA 661-21-33

BUSINESS AUTO DECLARATIONS

1

COVERAGE IS PROVIDED IN THE
 COMPANY DESIGNATED BY NUMBER
 A STOCK INSURANCE COMPANY
 (HEREIN CALLED THE COMPANY)

COMPANY OF PITTSBURGH PA
 2. AMERICAN HOME ASSURANCE
 3. THE INSURANCE COMPANY OF THE
 STATE OF PENNSYLVANIA
 4. THE BIRMINGHAM FIRE INSURANCE
 COMPANY OF PENNSYLVANIA
 5. COMMERCE AND INDUSTRY
 INSURANCE COMPANY
 6. NATIONAL UNION FIRE INSURANCE
 COMPANY OF LOUISIANA
**MEMBERS OF THE
 AMERICAN INTERNATIONAL GROUP, INC.**
 EXECUTIVE OFFICES
 70 PINE STREET
 YORK, N.Y. 10270

ITEM ONE NAMED INSURED & MAILING ADDRESS
THE STATE OF WEST VIRGINIA
 (SEE NAMED INSURED ENDT. #1)
C/O BOARD OF RISK INS. MGMT.
CHARLESTON WV 25305
PRODUCER'S NAME & MAILING ADDRESS
ACORDIA OF WEST VIRGINIA
ONE HILLCREST DRIVE EAST
CHARLESTON WV 25328

FORM OF BUSINESS: [] CORPORATION [] PARTNERSHIP [] INDIVIDUAL OR [X] OTHER GOVERNMENTAL
 POLICY PERIOD: Policy covers FROM 07/01/03 TO 07/01/04 at 12:01 A.M. Standard Time at your mailing address shown above.
 IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO
 PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

ITEM TWO-SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTOS Section of the Business Auto Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY	10A (SEE ENDT #8)	\$ (SEE ENDT. #8)	\$ 8,118,288
PERSONAL INJURY PROTECTION (P.I.P.) (or equivalent No-fault cov)		SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS \$ Deductible	\$ N/A
ADDED P.I. (or equivalent added No-fault cov)		SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT	\$ N/A
PROPERTY PROTECTION INS. (P.P.I.) (Michigan only)		SEPARATELY STATED IN THE P.P.I. ENDORSEMENT MINUS \$ Deductible FOR EACH ACCIDENT	\$ N/A
MEDICAL PAYMENTS		\$ (NOT COVERED)	\$ N/A
INSURED MOTORISTS (UM)	10D (SEE ENDT #8)	\$ (SEE ENDT #8)	\$ INCLUDED
UNDERINSURED MOTORISTS (when not included in UM Cov.)	10D (SEE ENDT #8)	\$ (SEE ENDT #8)	\$ INCLUDED
COMPREHENSIVE COVERAGE (SEE ENDT #6)	10B (SEE ENDT #8)	ACTUAL CASH VALUE OR COST OF \$ Ded. FOR EACH COVERED AUTO, BUT NO DED. APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING	\$ 350,000
SPECIFIED CAUSES OF LOSS COVERAGE		REPAIR, WHICHEVER IS LESS \$25 Deductible FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM	\$ N/A
COLLISION COVERAGE (SEE ENDT #6)	10B (SEE ENDT #8)	MINUS \$ Deductible FOR EACH COVERED AUTO	\$ 350,000
GARAGEKEEPERS	10C (SEE ENDT #8)	\$ for each disablement of a private passenger auto	\$ 200,000

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE.
 PREMIUM FOR ENDORSEMENT \$
SEE ATTACHED FORM SCHEDULE
 ESTIMATED TOTAL PREMIUM \$ 9,018,288
 7,610,638

ITEM THREE-SCHEDULE OF COVERED AUTOS YOU OWN

SURCHARGE
 See ITEM FOUR for hired or borrowed "autos"

Covered Auto No.	DESCRIPTION	PURCHASED	TERRITORY: Town & State Where the Covered AUTO will be principally garaged					
1	Year Model; Trade Name; Body Type Serial Number (S); Vehicle Identification Number (VIN)	Original Cost New	Actual NEW(N), Cost & USED (U)					
2	PER SCHEDULE OF VEHICLES ON RECORD WITH THE STATE							
Covered Auto	Radius of Business Operation (In Miles)	Business use = service = retail = comm	CLASSIFICATION Size, GVW or Vehicle Seating Capacity	Age Group	Primary Rating Factor Liab Phy Damage	Secondary Rating Factor	Code	Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss
	PER SCHEDULE	OF VEHICLES	ON RECORD WITH THE STATE					

Countersigned:

BY

[Signature]
 Authorized Representative

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORMS, AND FORMS AND ENDORSEMENTS IF ANY ISSUED TO FORM A PART THEREOF COMPLETE THE ABOVE NUMBERED POLICY

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CA 00 03 01 87
 Date Issued: 06/28/01

INSURED'S COPY

ITEM THREE (Cont'd)

COVERAGES-PREMIUMS, LIMITS AND DEDUCTIBLES																	
(Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)																	
Covered Auto No.	LIABILITY		PIP		ADDED PIP	P.P.I. (Mich. only)		AUTO. MED. PAY.		COMPREHENSIVE		SPEC CAUSES OF LOSS		COLLISION		TOWING & LABOR	
	Limit (in Thousands)	Premium	Limit minus deductible shown below	Premium	Limit Premium	Limit minus deductible shown below	Premium	Limit in Thousands	Premium	Limit minus deductible shown below	Premium	Limit Premium	Limit minus deductible shown below	Premium	Limit Premium	Per dis-ablement	Premium
	(SEE ENDT # 6)												(SEE ENDT # 6)			(SEE ENDT # 6)	
Total Premium	8,118,288			N/A	N/A						350,000			350,000			N/A

Add'l Coverage(s)- Premium, Limit, Deductible: *Limit stated in each applicable P.I.P. or P.P.I. Endorsement. **Limit stated in ITEM TWO

ITEM FOUR

SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUM, LIABILITY COVERAGE-RATING BASIS, COST OF HIRE

STATE	ESTIMATED COST-OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIAB COV IS PRIMARY)	INCLUDED
				INCLUDED
Cost of hire means the total amount you incur for the hire of 'autos' you don't own (not including 'autos' you borrow or rent from your partners or employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.				TOTAL PREMIUM \$ INCLUDED

PHYSICAL DAMAGE COVERAGE

COVERAGES	ACTUAL CASH VALUE, COST OF REPAIRS OR	LIMIT OF INSURANCE THE MOST WE WILL PAY, DEDUCTIBLE	RATES	PREMIUM
COMPREHENSIVE	\$ (SEE ENDT # 6)	WHICHEVER IS LESS MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		INCLUDED
SPECIFIED CAUSES OF LOSS	\$	WHICHEVER IS LESS MINUS \$25 DEDUCTIBLE FOR EACH		N/A
COLLISION	\$ (SEE ENDT # 6)	WHICHEVER IS LESS MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO		INCLUDED
PHYSICAL DAMAGE COVERAGE for covered 'autos' you hire or borrow is excess unless indicated below by " (x) "				TOTAL PREMIUM INCLUDED

If this box is checked, PHYSICAL DAMAGE COVERAGE applies on a direct primary basis and for purposes of the condition entitled OTHER INSURANCE, any covered 'auto' you hire or borrow is deemed to be a covered 'auto' you own.

ITEM FIVE - SCHEDULE FOR NON-OWNERSHIP LIABILITY

NAMED INSURE'S BUSINESS	RATING BASIS	NUMBER IF ANY	PREMIUM
Other than a Social Service Agency	Number of Employees		\$ INCLUDED
	Number of Partners		\$
Social Service Agency	Number of Employees		\$
	Number of Volunteers		\$ INCLUDED

ITEM SIX-SCHEDULE FOR GROSS RECEIPTS OR MILEAGE BASIS-LIABILITY COVERAGE-PUBLIC AUTO OR LEASING RENTAL CONCERNS

Estimated Yearly Gross Receipts Mileage	RATES		PREMIUMS	
	Per \$100 of Gross Receipts	Per Mile	LIABILITY COVERAGE	AUTO MEDICAL PAYMENTS
			\$	\$
When used as a premium basis: FOR PUBLIC AUTOS			TOTAL PREMIUMS \$	\$
			MINIMUM PREMIUMS \$	\$

Gross Receipts means the total amount to which you are entitled for transporting passengers, mail or merchandise during the policy period regardless of whether you or any other carrier originate the transportation. Gross Receipts does not include:

- A. Amounts you pay to railroads, steamship lines, airlines and other motor carrier operating under their own ICC or PUC permits.
- B. Advertising Revenue.
- C. Taxes which you collect as a separate item and remit directly to a governmental division.
- D. C.O.D. collections for cost of mail or merchandise including collection fees. Mileage means the total live and dead mileage of all revenue producing units operated during the policy period.

FOR RENTAL OR LEASING CONCERNS

Gross Receipts means the total amount to which you are entitled for the leasing or rental of 'autos' during the policy period and includes taxes except those taxes which you collect as a separate item and remit directly to a governmental division.

Mileage means the total of all live and dead autos you leased or rented to others during the policy period.

MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: June 18, 2004
Re: City of New Cumberland Combined Waterworks and Sewerage System
Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund)

1. DISBURSEMENTS TO THE CITY OF NEW CUMBERLAND

Payor: West Virginia Infrastructure Fund
Amount: \$39,900
Form: Wire Transfer
Payee: City of New Cumberland
Bank: Hancock County Savings Bank
Routing #: 2434 74273
Account #: 573000650
Contact: Barbara Korpos, Branch Manager (304.564.3368)
Account: Series 2004 A Bonds Construction Trust Fund

State of West Virginia
WATER DEVELOPMENT AUTHORITY
 180 Association Drive, Charleston, WV 25311-1217
 (304) 558-3612 - (304) 558-0299 (Fax)
 Internet: www.wvwda.org - Email: contact@wvwda.org

BOND CLOSING ATTENDANCE LIST

Date June 18, 2004 Time 10:00 a.m. LGA City of New Cumberland Program _____ IF _____

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
John C. Stump	Stoptec & Johnson PLLC	353.8196	353.8181	stumpjc@stoptec-johnson.com
Barbara B. Meadows	Water Development Authority	558-3612	558-0299	bmeadows@wvwda.org
Samuel L. Lee	Jackson Kelly PLLC	340-1318	340-1280	sglee@jacksonkelly.com
BERNIE YONKOSKY	WV WDA	558-3612	558-0299	dyonkosky@wvwda.org

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Arthur Watson, Mayor Telephone 304.564.3383 E-Mail N/A
 Address P.O. Box 505, New Cumberland West Virginia 26047

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

20-742
20-742

FILE State of West Virginia

RECEIVED

JUL 24 2003

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

THRASHER ENGINEERING

815 QUARRIER STREET, SUITE 418

CHARLESTON, WEST VIRGINIA 25301-2616

TELEPHONE 304-558-2981

PERMIT

PROJECT: (Sewage)
Wastewater Treatment Plant
Ultraviolet Disinfection

PERMIT NO.: 15,725

LOCATION: New Cumberland

COUNTY: Hancock

DATE: 7-21-2003

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

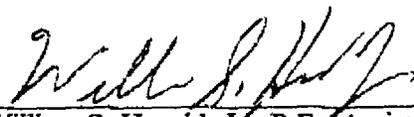
**City of New Cumberland
Post Office Box 505
New Cumberland, West Virginia 26047**

is hereby granted approval to: install a new 1.5 M.G.P.D. low pressure, high intensity ultraviolet disinfection system at the existing City of New Cumberland wastewater treatment plant. The ultraviolet disinfection system shall be installed in a new building.

The Office of Environmental Health Services Wheeling District Office, telephone (304) 238-1145, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR



William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:sec

pc: Thrasher Engineering, Inc.
O. Robert Coontz, P.E., DEP
Pravin Sangani, P.E., DEP
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC
Hancock County Health Department
OEHS-EED Wheeling District Office



Division of Water and Waste Management
 414 Summer Street, Second Floor
 Charleston, WV 25301
 Telephone: (304) 358-4086 or 558-4086
 Fax: (304) 558-5903

West Virginia Department of Environmental Protection

Bob Wise
 Governor

Stephanie R. Timmermeyer
 Cabinet Secretary

August 15, 2003

Richard Ohalek, Chief Operator
 City of New Cumberland Waste Water Treatment Plant
 P. O. Box 505
 New Cumberland, WV 26047

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0025119
 Modification No. 1

Dear Mr. Ohalek:

This correspondence serves as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0025119 issued the 7th day of May 2002.

After review and consideration of the information submitted on, and with, WV/NPDES Water Pollution Control Permit Modification Application No. WV0025119-A dated the 7th day of May 2003, and additional information received on 9th day of June 2003, the subject Permit is hereby modified to incorporate the following:

1. To acquire, construct, install, operate and maintain an ultraviolet disinfection system, and all requisite appurtenances.
2. To delete the conditions C.13 and C.14 Other Requirements on pages 14 & 15 of 21 of the permit, and add new condition C.19 Other Requirements on page 15 of 21 of the permit as follow:

"Because the permittee is using ultraviolet light as their disinfection method, no Total Residual Chlorine (TRC) effluent limitation shall currently be imposed. Should the permittee in the future decide to use chlorine as a disinfection method, a TRC effluent limitation shall be promulgated and imposed."

This Permit Modification shall, further, be subject to the terms and conditions of the Bureau for Public Health, Office of Environmental Health Services, Permit No. 15.725, dated the 21st day of July 2003

With the initiation of the operation of an ultraviolet disinfection (UV) system, facility shall use revised pages 6, 7, 14, and 15 of 21 for WV/NPDES Permit Number WV0025119 reflecting this modification. Please discard pages 4 through 7 of 21 and 14 through 16 of 21 with the initiation of the operation of UV system. Also, enclosed find revised Discharge Monitoring Report (DMR) forms for your use.



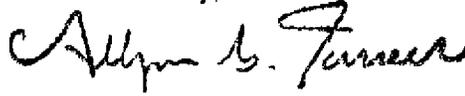
West Virginia Department
 of Environmental Protection

"Promoting a healthy environment."

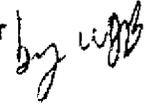
City of New Cumberland Waste Water Treatment Plant
Page 2

All other terms and conditions of the subject WV/NPDES Water Pollution Control Permit No. WV0025119 shall remain in effect and unchanged.

Sincerely,

A handwritten signature in black ink that reads "Allyn G. Turner". The signature is written in a cursive style.

Allyn G. Turner
Director

Handwritten initials in black ink, possibly "WJB", written in a cursive style.

AGT/yp

cc: Env. Inspector Supervisor
Env. Inspector, Hancock County

IC-2
(7/30/01)

GRANT AGREEMENT

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and CITY OF NEW CUMBERLAND (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$130,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Authority and the Governmental Agency hereby agree as follows:

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.
2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

6. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

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

8. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

CITY OF NEW CUMBERLAND

By: Arthur H. Watson

Its: Mayor

Date: June 18, 2004

(SEAL)

Attest:

Camara M. Jones
Its: City Clerk

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: Samuel B. Gumbert

Its: Director

Date: June 18, 2004

(SEAL)

Attest:

Barbara B. Meadows
Its: Secretary-Treasurer

000832/00466
06/02/04

Exhibit A

Project Description

The Project consists of acquisition, construction and installation of a 1.5 million gallon per day low pressure high-intensity ultraviolet disinfection system at the existing treatment plant of the Governmental Agency, including all appurtenant facilities.