TOWN OF NEW HAVEN, WEST VIRGINIA

$295,000 Subordinate Sewer Revenue Bond, Series 1982, and
$89,500 Supplemental Subordinate Sewer Revenue Bond, Series 1982

Transcript of Closing Documents

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TABLE OF CONTENTS

1. Copy of Chapter 16, Article 13, Section 1 et seq. of the Code of West Virginia, 1931, as amended (certified in Transcripts Nos. 1-3).

2. Copy of order entered December 2, 1935, by the Circuit Court of Mason County, West Virginia, issuing a certificate of incorporation for the Town of New Haven, West Virginia (the "Town") (certified in Transcripts Nos. 1-3).

3. Copies of respective oaths of office taken by the Mayor, the Recorder and the members of the Council of the Town (the "Council") after August 11, 1980.

4. Evidence of sewer revenue bond ordinance passed by the Council on May 20, 1963.

5. Copy of order entered July 6, 1980, by the Public Service Commission of West Virginia, issuing a certificate of convenience and necessity (certified in Transcripts Nos. 1-3).

6. Copy of tariff filed with the Public Service Commission on March 11, 1980, and effective November 19, 1981 (certified in Transcripts Nos. 1-3).

7. Copy of rate ordinance passed by the Council on March 11, 1980.

8. (a) Copy of agreement, dated March 5, 1981, between the Town and the Town of Hartford.

   (b) Opinion of counsel to the Town and to the Town of Hartford regarding validity of the agreement between the Town and the Town of Hartford.

9. Certificate of Recorder as to Truth and Accuracy of Documents Delivered Prior to Closing, dated October 27, 1982.

10. Certificate of Recorder as to Truth and Accuracy of Documents Delivered, dated October 27, 1982.

11. Copy of ordinance passed by the Council on July 8, 1980 (the "Original Ordinance"), authorizing the issuance of the Town's $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980 (as renewed, the "Notes").

12. (a) Copy of resolution adopted by the Council on July 28, 1981, supplementing and amending the Original Ordinance.

    (b) Copy of resolution adopted by the Council on June 8, 1982, supplementing the Original Ordinance.

13. (a) Copy of resolution adopted by the Council on June 8, 1982, supplementing and amending the Original Ordinance.

    (b) Copy of resolution adopted by the Council on June 14, 1982, supplementing the Original Ordinance.

14. Copy of minutes of the August 30, 1982, Council meeting, wherein the Amendatory and Supplemental Ordinance was introduced.

15. Copy of minutes of the September 13, 1982, Council meeting, wherein the Amendatory and Supplemental Ordinance was passed.

16. Copy of Amendatory and Supplemental Ordinance, passed by the Council on September 13, 1982, authorizing the issuance of the Town's Subordinate Sewer Revenue Bond, Series 1982, in the principal amount of $295,000, and Supplemental Subordinate Sewer Revenue Bond, Series 1982, in the principal amount of $89,500.

17. Copy of resolution adopted by the Council of the Town on September 13, 1982, authorizing publication of a

notice and abstract of the Amendatory and Supplemental Ordinance.

18. Affidavit of Publication of the Point Pleasant Register regarding publication of the abstract and notice of the Amendatory and Supplemental Ordinance.

19. (a) Copy of minutes of the October 11, 1982, Council meeting, wherein a public hearing on the Amendatory and Supplemental Ordinance was held.

    (b) Copy of resolution adopted by the Council on October 11, 1982, putting the Amendatory and Supplemental Ordinance into effect.

20. Copy of resolution adopted by the Council on October 25, 1982, supplementing the Original Ordinance.

21. Copy of loan agreement, dated June 8, 1982, between the District and the Authority.

22. Copy of preliminary legal opinion of Jackson, Kelly, Holt & O'Farrell, dated June 30, 1982.

23. Attorney's Certificate of No Litigation, dated October 27, 1982.

24. Certificate re Incumbency, Signatures, Delivery, No Litigation, Specimen Bonds and Other Matters, dated October 27, 1982.

25. (a) Arbitrage Certificate, dated October 27, 1982.

    (b) Arbitrage opinion of Jackson, Kelly, Holt & O'Farrell, dated October 27, 1982.

26. Legal opinion of Jackson, Kelly, Holt & O'Farrell, dated October 27, 1982.

27. Receipt for Bonds, dated October 27, 1982.

28. Requisition as to Loan to Governmental Agency, dated October 27, 1982.

29. Receipt for Payment, dated October 27, 1982.

30. Certificate of Registration, dated October 27, 1982.

31. Assignment Separate from Bond, dated October 27, 1982.

The closing of the sale of $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, dated October 27, 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, dated October 27, 1982, of the Town of New Haven, West Virginia, to the West Virginia Water Development Authority will take place at 10:00 a.m. on October 27, 1982, at the offices of said Authority in Dunbar, West Virginia. All transactions at the closing will be deemed to have taken place simultaneously, and no transaction shall be deemed to have been completed and no document shall be deemed to have been delivered unless and until all transactions are complete and all documents delivered.

State of West Virginia

CERTIFICATE

I, A. James Manchin, Secretary of State of the State of West Virginia, hereby certify that the following and hereto attached is a true copy of

Chapter 16, Article 13, of the West Virginia Code, 1931, as amended, as appears from the records of my said office.

Given under my hand and the Great Seal of the said State at the City of Charleston, this

Twenty-seventh *day of*

October *19*82

A. James Manchin

Secretary of State.

the feasibility of establishing a similar statewide program for the entire continuum of care to the governor and the legislature no later than the first day of July, one thousand nine hundred eighty-four. (1982, c. 72.)

ARTICLE 5G.

OPEN HOSPITAL PROCEEDINGS.

Sec.
16-5G-1. Declaration of legislative policy.
16-5G-2. Open proceedings.

§ 16-5G-1. Declaration of legislative policy.

The legislature hereby finds and declares that hospitals owned or operated by nonprofit corporations, nonprofit associations or local governmental units are relied on by the citizens of this State for services essential to their health and well-being. The legislature further finds and declares that public funds from various sources and by various means contribute significantly to the revenues and operations of such institutions. Therefore, it is in the best interest of the people of this State for all proceedings of the boards of directors or other governing bodies of such hospitals to be conducted in an open and public manner so that the people can remain informed of the decisions and decision making processes affecting the health services on which they so vitally depend and which they help support through tax exemptions, public funding and other means. (1982, c. 73.)

§ 16-5G-2. Open proceedings.

Every board of directors or other governing body of any hospital owned or operated by a nonprofit corporation, nonprofit association or local governmental until shall be open to the public in the same manner and to the same extent as required of public bodies in article nine-A [§ 6-9A-1 et seq.], chapter six of this Code. (1982, c. 73.)

ARTICLE 10.

UNIFORM BRAIN DEATH ACT.

Sec.
16-10-1. Title.
16-10-2. Brain death.
16-10-3. Civil and criminal immunity.
16-10-4 to 16-10-7. [Repealed.]

Editor's note. — Former §§ 16-10-1 — 16-10-7 (Acts 1929, c. 4, §§ 1-7; 1967, c. 105), which concerned sterilization of mentally defective persons, were repealed by Acts 1974, c. 65. For present provisions on the same subject see §§ 27-16-1 — 27-16-5.

§ 16-10-1. Title.

This article shall be known and may be cited as the "Uniform Brain Death Act." (1980, c. 58.)

§ 16-10-2. Brain death.

For legal and medical purposes, an individual who has sustained irreversible cessation of all functioning of the brain is dead. A determination under this section must be made in accordance with reasonable medical standards. (1980, c. 58.)

Cross reference. — For definition of "death" for purposes of the uniform anatomical gift act, see § 16-19-1(c).

§ 16-10-3. Civil and criminal immunity.

A physician or any other person authorized by law to determine death who makes such determination in accordance with section two [§ 16-10-2] of this article is not liable for damages in any civil action or subject to prosecution in any criminal proceeding for his acts or the acts of others based on that determination. Any person who acts in good faith in reliance on a determination of death is not liable for damages in any civil action or subject to prosecution in any criminal proceeding for such act. (1980, c. 58.)

§§ 16-10-4 to 16-10-7.

Editor's note. — For repeal of the former sections, see editor's note at the beginning of this article.

ARTICLE 13.

SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

Sec.
16-13-6. Publication and hearing upon ordinance.
16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds.
16-13-19. Contract with other municipalities for service of works; powers of lessee as to rates; intercepting sewers.
16-13-22a. Grants, loans and advances.

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

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

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

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

Effect of amendment of 1981. — The amendment rewrote the first and second sentences.

Effective date. — Acts 1981, 1st Ex. Sess., c. 2 takes effect May 8, 1981.

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

Such revenue bonds shall bear interest at not more than twelve percent per annum, payable at such times, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, either coupon or registered, shall set forth any registration and conversion privileges, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest thereof, which may be at any bank or trust company within or without the State. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State. Said bonds shall be exempt from all taxation, state, county and municipal. Such bonds shall be executed by the proper legally constituted authorities of the municipality, and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers, before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. Such bonds shall be sold at a price not lower than a price, which when computed upon standard tables of bond values, will show a net return of not more than thirteen per centum per annum to the purchaser upon the amount paid therefor, and the proceeds derived therefrom shall be used exclusively for the purposes for which said bonds are issued and same may be sold at one time or in parcels as funds are needed. Any surplus of bond proceeds over and above the cost of the works shall be paid into the sinking fund hereinafter provided. If the proceeds of the bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in said ordinance authorizing the issuance of the bonds first issued or in the trust indenture hereinafter authorized, shall be deemed to be of the same issue and shall be entitled to payment without preference or priority of the bonds first issued. Prior to the preparation of the definitive bonds, temporary bonds may under like restrictions be issued with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 10; 1970, c. 11; 1980, c. 33; 1981, 1st Ex. Sess., c. 2.)

Effect of amendment of 1980. — The amendment increased the maximum interest rate on bonds and provided for a corresponding increase in the allowable bond yield.

Effect of amendment of 1981. — The amendment rewrote the first and fourth sentences, deleted the former eighth sentence which read: "Provisions may be made for the registration of any of the bonds in the name of the owner as to principal alone," and in the ninth sentence substituted "thirteen percentum" for "eleven percentum."

Effective date. — Acts 1981, 1st Ex. Sess., c. 2 takes effect May 8, 1981.

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

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

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

Any municipal corporation and/or sanitary district in the State of West Virginia is hereby authorized and empowered to own, acquire, construct, equip, operate and maintain within and/or without the corporate limits of such municipal corporation, a sewage collection system and/or a sewage treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations, and all other appurtenances necessary or useful and convenient for the collection and/or treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, sewage, night soil and industrial waste of such municipal corporation and/or sanitary district, and shall have authority to acquire by gift, grant, purchase, condemnation, or otherwise, all necessary lands, rights-of-way and property therefor, within and/or without the corporate limits of such municipal corporation and/or sanitary district, and to issue revenue bonds to pay the cost of such works and property; and any such municipality may serve and supply the facilities of such sewerage system within the corporate limits of such municipality and within the area extending twenty miles beyond the corporate limits of such municipality: Provided, however, that such municipality shall not serve or supply the facilities of such sewerage system within the corporate limits of any other municipality without the consent of the governing body thereof. No obligations shall be incurred by any such municipality and/or sanitary district in such construction or acquisition except such as is payable solely from the funds provided under the authority of this article. (1933, Ex. Sess., c. 25, § 1; 1955, c. 132.)

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

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

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

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

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

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

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

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

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

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

The board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers under this article: Provided, that any contract relating to the financing of the acquisition or construction of any such works, or any trust indenture as hereinafter provided for, shall be approved by the governing body of such municipality before the same shall be effective. The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and such other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the board shall direct. All such compensation and all expenses incurred in carrying out the provisions of this article shall be paid solely from funds provided under the authority of this article, and the board shall not exercise or carry out any authority or power herein given it so as to bind said board of said municipality beyond the extent to which money shall have been or may be provided under the authority of this article. No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of one thousand dollars, shall be made without advertising for bids, which bids shall be pubicly opened and award made to the best bidder, with power in the board to reject any or all bids. After the construction, installation, and completion of the works, or the acquisition thereof, the board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the board may deem expedient, if funds therefor be available or are made available as provided in this article, and shall establish rules and regulations for the use and operation of the works, and of other sewers and drains connected therewith so far as they may affect the operation of such works, and do all things necessary or expedient for the successful operation thereof. All public ways or public works damaged or destroyed by the board in carrying out its authority under this article shall be restored or repaired by the board and placed in their

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original condition, as nearly as practicable, if requested so to do by proper authority, out of the funds provided by this article. (1933, Ex. Sess., c. 25, § 3.)

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

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

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

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

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

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

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

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

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

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

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

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

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

~~After such ordinance shall have been adopted, the ordinance, together with the following described notice, shall be published as a Class II legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The notice shall state that said ordinance has been adopted, and that the municipality contemplates the issuance of the bonds described in the ordinance, and that any person interested may appear before the governing body upon a certain date which shall not be less than ten days subsequent to the last date of publication of such ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the governing body shall take such action as it shall deem proper in the premises: Provided, however, that if at such a hearing written protest is filed by thirty percent or more of the~~

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

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

Effect of amendment of 1981. — The amendment rewrote the first and second sentences.

Effective date. — Acts 1981, 1st Ex. Sess., c. 2 takes effect May 8, 1981.

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

Such revenue bonds shall bear interest at not more than twelve percent per annum, payable at such times, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, either coupon or registered, shall set forth any registration and conversion privileges, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest thereof, which may be at any bank or trust company within or without the State. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State. Said bonds shall be exempt from all taxation, state, county and municipal. Such bonds shall be executed by the proper legally constituted authorities of the municipality, and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers, before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. Such bonds shall be sold at a price not lower than a price, which when computed upon standard tables of bond values, will show a net return of not more than thirteen per centum per annum to the purchaser upon the amount paid therefor, and the proceeds derived therefrom shall be used exclusively for the purposes for which said bonds are issued and same may be sold at one time or in parcels as funds are needed. Any surplus of bond proceeds over and above the cost of the works shall be paid into the sinking fund hereinafter provided. If the proceeds of the bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in said ordinance authorizing the issuance of the bonds first issued or in the trust indenture hereinafter authorized, shall be deemed to be of the same issue and shall be entitled to payment without preference or priority of the bonds first issued. Prior to the preparation of the definitive bonds, temporary bonds may under like restrictions be issued with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 10; 1970, c. 11; 1980, c. 33; 1981, 1st Ex. Sess., c. 2.)

Effect of amendment of 1980. — The amendment increased the maximum interest rate on bonds and provided for a corresponding increase in the allowable bond yield.

Effect of amendment of 1981. — The amendment rewrote the first and fourth sentences, deleted the former eighth sentence which read: "Provisions may be made for the registration of any of the bonds in the name of the owner as to principal alone," and in the ninth sentence substituted "thirteen percentum" for "eleven percentum."

Effective date. — Acts 1981, 1st Ex. Sess., c. 2 takes effect May 8, 1981.

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

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

~~owners of real estate situate in said municipality, then the governing body of said municipality shall not take further action unless four fifths of the qualified members of the said governing body assent thereto. (1933, Ex. Sess., c. 25, § 6; 1967, c. 105.)~~

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

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

§ 16-13-8. Cost of works.

The cost of the works shall be deemed to include the cost of acquisition or construction thereof, the cost of all property, rights, easements, and franchises deemed necessary or convenient therefor and for the improvements determined upon as provided in this article; interest upon bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvement last mentioned; engineering and legal

expenses; expense for estimates of cost and of revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized and the construction or acquisition of the works and the placing of the works in operation and the performance of the things herein required or permitted in connection with any thereof. (1933, Ex. Sess., c. 25, § 8.)

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

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

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

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

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

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

Contractual obligation between municipalities not relieved by inability of town to sell revenue bonds. — Under the provisions of §§ 16-13-19 and 16-13-23a, a city and a town may enter into a contract whereby the city agreed to

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

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

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

Effect of amendment of 1981. — The amendment rewrote the first and second sentences.

Effective date. — Acts 1981, 1st Ex. Sess., c. 2 takes effect May 8, 1981.

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

Such revenue bonds shall bear interest at not more than twelve percent per annum, payable at such times, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, either coupon or registered, shall set forth any registration and conversion privileges, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest thereof, which may be at any bank or trust company within or without the State. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State. Said bonds shall be exempt from all taxation, state, county and municipal. Such bonds shall be executed by the proper legally constituted authorities of the municipality, and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers, before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. Such bonds shall be sold at a price not lower than a price, which when computed upon standard tables of bond values, will show a net return of not more than thirteen per centum per annum to the purchaser upon the amount paid therefor, and the proceeds derived therefrom shall be used exclusively for the purposes for which said bonds are issued and same may be sold at one time or in parcels as funds are needed. Any surplus of bond proceeds over and above the cost of the works shall be paid into the sinking fund hereinafter provided. If the proceeds of the bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in said ordinance authorizing the issuance of the bonds first issued or in the trust indenture hereinafter authorized, shall be deemed to be of the same issue and shall be entitled to payment without preference or priority of the bonds first issued. Prior to the preparation of the definitive bonds, temporary bonds may under like restrictions be issued with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 10; 1970, c. 11; 1980, c. 33; 1981, 1st Ex. Sess., c. 2.)

Effect of amendment of 1980. — The amendment increased the maximum interest rate on bonds and provided for a corresponding increase in the allowable bond yield.

Effect of amendment of 1981. — The amendment rewrote the first and fourth sentences, deleted the former eighth sentence which read: "Provisions may be made for the registration of any of the bonds in the name of the owner as to principal alone," and in the ninth sentence substituted "thirteen percentum" for "eleven percentum."

Effective date. — Acts 1981, 1st Ex. Sess., c. 2 takes effect May 8, 1981.

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

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

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

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

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

issuance of the bonds first issued or in the trust indenture hereinafter authorized, shall be deemed to be of the same issue and shall be entitled to payment without preference or priority of the bonds first issued. Prior to the preparation of the definitive bonds, temporary bonds may under like restrictions be issued with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 10; 1970, c. 11.)

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

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

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

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

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

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

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

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

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

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

issuance of the bonds first issued or in the trust indenture hereinafter authorized, shall be deemed to be of the same issue and shall be entitled to payment without preference or priority of the bonds first issued. Prior to the preparation of the definitive bonds, temporary bonds may under like restrictions be issued with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 10; 1970, c. 11.)

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

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

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

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

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

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

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

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

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

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

At or before the issuance of any such bonds the governing body shall by said ordinance create a sinking fund, to be remitted to and administered by the state sinking fund commission, for the payment of the bonds and the interest thereon and the payment of the charges of banks or trust companies for making payment of such bonds or interest, and shall set aside and pledge a sufficient amount of the net revenues of the works, hereby defined to mean the revenues of the works remaining after the payment of the reasonable expense of operation, repair and maintenance, such amount to be paid by the board into said sinking fund at intervals to be determined by ordinance prior to issuance of the bonds, for: (a) The interest upon such bonds as such interest shall fall due; (b) the necessary fiscal agency charges for paying bonds and interest; (c) the payment of the bonds as they fall due, or, if all bonds mature at one time, the proper maintenance of a sinking fund in such amounts as are necessary and sufficient for the payment thereof at such time; (d) a margin for safety and for the payment of premiums upon bonds retired by call or purchase as herein provided, which margin, together with any unused surplus of such margin carried forward from the

preceding year, shall equal ten percent of all other amounts so required to be paid into the sinking fund. Such required payments shall constitute a first charge upon all the net revenue of the works. Prior to the issuance of the bonds the board may by ordinance be given the right to use or direct the state sinking fund commission to use such sinking fund or any part thereof in the purchase of any of the outstanding bonds payable therefrom at the market price thereof, but not exceeding the price, if any, at which the same shall in the same year be payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled and shall not again be issued. After the payments into the sinking fund as herein required, the board may at any time in its discretion transfer all or any part of the balance of the net revenues, after reserving an amount deemed by the board sufficient for operation, repair and maintenance for an ensuing period of not less than twelve months and for depreciation, into the sinking fund or into a fund for extensions, betterments and additions to the works. The amounts of the balance of the net revenue as and when so set apart shall be remitted to the state sinking fund commission to be retained and paid out by said commission consistent with the provisions of this article and with the ordinance pursuant to which such bonds have been issued. The state sinking fund commission is hereby authorized to act as fiscal agent for the administration of such sinking fund, under any ordinance passed pursuant to the provisions of this article, and shall invest all such sinking funds as provided by general law. (1933, Ex. Sess., c. 25, § 15; 1933, 2nd Ex. Sess., c. 48.)

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

The governing body shall have power, and it shall be its duty, by ordinance, to establish and maintain just and equitable rates or charges for the use of and the service rendered by such works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses such works by or through any part of the sewerage system of the municipality, or that in any way uses or is served by such works, and may change and readjust such rates or charges from time to time. Such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replacements and maintenance of the works and for the payment of the sums herein required to be paid into the sinking fund. Revenues collected pursuant to this section shall be deemed the revenues of the works. No such rates or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates or charges. After introduction of the ordinance fixing such rates or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates or charges, shall be given by publication as a Class II-0 legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The first publication shall be made at least ten days before the date fixed in such notice

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for the hearing. After such hearing, which may be adjourned from time to time, the ordinance establishing rates or charges, either as originally introduced or as modified and amended, shall be passed and put into effect. A copy of the schedule of such rates and charges so established shall be kept on file in the office of the board having charge of the operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice. Any change or readjustment of such rates or charges may be made in the same manner as such rates or charges were originally established as hereinbefore provided: Provided, however, that if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. The aggregate of the rates or charges shall always be sufficient for such expense of operation, repair and maintenance and for such sinking fund payments. All such rates or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate or charge so established shall not be paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality, and in connection with such action said lien may be foreclosed against such lot, parcel of land or building, in accordance with the laws relating thereto: Provided, however, that where both water and sewer services are furnished by any municipality to any premises the schedule of charges may be billed as a single amount or individually itemized and billed for the aggregate thereof. Whenever any rates, rentals or charges for services or facilities furnished shall remain unpaid for a period of thirty days after same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. The board collecting such charges shall be obligated under reasonable rules and regulations, to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities, or both, and shall not restore either water facilities or sewer facilities to any delinquent user of either until all delinquent charges for both water facilities and sewer facilities, including reasonable interest and penalty charges, have been paid in full. (1933, Ex. Sess., c. 25, § 16; 1933, 2nd Ex. Sess., c. 48; 1959, c. 125; 1967, c. 105.)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mayor and city manager may not both be appointed to municipal sanitary board. — When a municipal corporation has a city manager form of government, the municipality's governing board has the option of appointing either its mayor or its city manager (but not both) to the municipal sanitary board. 52 Op. Att'y Gen. 217 (1967).

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

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

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

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

Every sanitary board shall prepare a financial statement and cause the same to be published as a Class I legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of

the board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the board as soon as practicable after the close of the fiscal year: Provided, that such statement for the fiscal year ending June thirtieth, one thousand nine hundred fifty-six, may be published any time during the year one thousand nine hundred fifty-seven. The statement shall be sworn to by the chairman and secretary and treasurer of the board. If a board fails or refuses to perform the duties hereinbefore named, every member of the board concurring in such failure or refusal shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than one hundred nor more than five hundred dollars and the circuit court or criminal court and justices of the peace, of the county where the offense was committed, shall have concurrent jurisdiction to try such offense. (1957, c. 138; 1967, c. 105.)

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

Any municipality operating a sewage collecting system and/or a sewage disposal plant or plants as defined in this article, or which as herein provided has ordered the construction or acquisition of such works (in this section called the owner), is hereby authorized to contract with one or more other municipal corporations or political subdivisions within the State (in this section called the lessee), and such lessees are hereby authorized to enter into such contracts with such owners, for the service of such works to such lessees and their inhabitants, but only to the extent of the capacity of the works without impairing the usefulness thereof to the owners, upon such terms and conditions as may be fixed by the boards and approved by ordinances of the respective contracting parties: Provided, however, that no such contract shall be made for a period of more than fifteen years or in violation of the provisions of said ordinance authorizing bonds hereunder or in violation of the provisions of said trust indenture. The lessee shall by ordinance have power to establish, change and adjust rates and charges for the service rendered therein by the works against the owners of the premises served, in the manner hereinbefore provided for establishing, changing and adjusting rates and charges for the service rendered in the municipality where the works are owned and operated, and such rates or charges shall be collectible and shall be a lien as herein provided for rates and charges made by the owner. The necessary intercepting sewers and appurtenant works for connecting the works of the owner with the sewerage system of the lessee shall be constructed by the owner and/or the lessee upon such terms and conditions as may be set forth in said contract, and the cost or that part of the

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

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

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

Effect of amendment of 1981. — The amendment rewrote the first and second sentences.

Effective date. — Acts 1981, 1st Ex. Sess., c. 2 takes effect May 8, 1981.

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

Such revenue bonds shall bear interest at not more than twelve percent per annum, payable at such times, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, either coupon or registered, shall set forth any registration and conversion privileges, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest thereof, which may be at any bank or trust company within or without the State. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State. Said bonds shall be exempt from all taxation, state, county and municipal. Such bonds shall be executed by the proper legally constituted authorities of the municipality, and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers, before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. Such bonds shall be sold at a price not lower than a price, which when computed upon standard tables of bond values, will show a net return of not more than thirteen per centum per annum to the purchaser upon the amount paid therefor, and the proceeds derived therefrom shall be used exclusively for the purposes for which said bonds are issued and same may be sold at one time or in parcels as funds are needed. Any surplus of bond proceeds over and above the cost of the works shall be paid into the sinking fund hereinafter provided. If the proceeds of the bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in said ordinance authorizing the issuance of the bonds first issued or in the trust indenture hereinafter authorized, shall be deemed to be of the same issue and shall be entitled to payment without preference or priority of the bonds first issued. Prior to the preparation of the definitive bonds, temporary bonds may under like restrictions be issued with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 10; 1970, c. 11; 1980, c. 33; 1981, 1st Ex. Sess., c. 2.)

Effect of amendment of 1980. — The amendment increased the maximum interest rate on bonds and provided for a corresponding increase in the allowable bond yield.

Effect of amendment of 1981. — The amendment rewrote the first and fourth sentences, deleted the former eighth sentence which read: "Provisions may be made for the registration of any of the bonds in the name of the owner as to principal alone," and in the ninth sentence substituted "thirteen percentum" for "eleven percentum."

Effective date. — Acts 1981, 1st Ex. Sess., c. 2 takes effect May 8, 1981.

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

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

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

Effect of amendment of 1981. — The amendment, in the proviso to the first sentence, substituted "forty years" for "fifteen years."

Effective date. — Acts 1981, 1st Ex. Sess., c. 2 takes effect May 8, 1981.

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

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

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

Effect of amendment of 1980. — The amendment, effective March 8, 1980, inserted the language beginning "evidenced by notes or other negotiable instruments" and ending "issued under the provisions of this article" near the beginning of the first paragraph and added the language beginning "grants to the municipality from any agency of the State" to the end of the second paragraph.

Effect of amendment of 1981. — The amendment rewrote the section.

Effective date. — Acts 1981, 1st Ex. Sess., c 2 takes effect May 8, 1981.

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.

16-13A-1. General purpose of districts.
16-13A-2. Creation of districts by county commission; enlarging, reducing or dissolving district; consolidation agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.
16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.
16-13A-3a. Removal of members of public service board.
16-13A-4. Board chairman; members' compensation; procedure; district name.
16-13A-5. General manager of board.
16-13A-6. Employees of board.
16-13A-7. Acquisition and operation of district properties.
16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.
16-13A-9. Rules and regulations; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-9a. Limitations with respect to foreclosure.
16-13A-10. Budget.
16-13A-11. Accounts; audit.
16-13A-12. Disbursement of district funds.
16-13A-13. Revenue bonds.
16-13A-18a. Sale, lease or rental of water system by district; distribution of proceeds.
16-13A-24. Acceptance of loans, grants or temporary advances.
16-13A-25. Borrowing and bond issuance - Procedure.

§ 16-13A-1. General purpose of districts.

Any territory constituting the whole or any part of one or more counties in the State so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage services, or gas distribution services or all of these within such territory, will be conducive to the preservation of the public health, comfort and convenience of such area, may be constituted a public service district under and in the manner provided by this article. The words "public service properties," when used in this article, shall mean any

cost thereof which is to be borne by the owner may be paid as a part of the cost of the works from the proceeds of bonds issued under this article unless otherwise provided by said ordinance or trust indenture prior to the issuance of the bonds. The income received by the owner under any such contract shall, if so provided in said ordinance or trust indenture, be deemed to be a part of the revenues of the works as in this article defined and be applied as herein provided for the application of such revenues. (1933, Ex. Sess., c. 25, § 19.)

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

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

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

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

Any holder of any such certificates or any of the coupons attached thereto, and the trustee, if any, except to the extent the rights herein given may be restricted by said ordinance authorizing issuance of the bonds or by the trust indenture, may either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted hereunder or under such ordinance or trust indenture, and may enforce and compel performance of all duties required by this article or by such ordinance or trust indenture to be performed by the municipality issuing the bonds or by the board or any oficer, including the making and collecting of reasonable and sufficient charges and rates for service rendered by the works. If there be any failure to pay the principal or interest of any of the bonds on the date therein named for such payment, any court having jurisdiction of the action may appoint a receiver to administer the works on behalf of the municipality and the bondholders and/or trustee, except as so restricted, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay any bonds and interest outstanding and to apply the revenues in conformity with this article and the said ordinance and/or trust indenture. (1933, Ex. Sess., c. 25, § 21.)

Rules of Civil Procedure. — As to abolition of procedural distinctions between law and equity, see Rule 2, appearing in Appendix. As to receivers, see Rule 66. As to application of rules to extraordinary remedies, see Rule 81(a)(5).

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

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

§ 16-13-22a. Acceptance of grants and procurement of loans or temporary advances from, and contracts and agreements with, federal agencies or private parties.

Any municipality is authorized and empowered to accept grants and procure loans or temporary advances for the purpose of paying part or all of the cost of acquisition or construction of said sewage works and the construction of betterments and improvements thereto from any authorized agency of the State or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances may be repaid out of the proceeds of bonds authorized to be issued under the provisions of this article; and to enter into the necessary contracts and agreements to carry out the purposes hereof with the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual.

In no event shall any such loan or temporary advance be a general obligation of the municipality and such loans or temporary advances, including the interest thereon, shall be paid solely from the proceeds of the bonds authorized to be issued under the provisions of this article or the revenues of the said sewage works so recited in each such contract and agreement. (1949, c. 93; 1961, c. 107.)

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

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

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

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

Effect of amendment of 1981. — The amendment, in the proviso to the first sentence, substituted "forty years" for "fifteen years."

Effective date. — Acts 1981, 1st Ex. Sess., c. 2 takes effect May 8, 1981.

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

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

In no event shall any such loan or temporary advance be a general obligatio of the municipality and such loans or temporary advances, including the inte est thereon, shall be paid solely from the sources specified in this section. (194 c. 93; 1961, c. 107; 1980, c. 59; 1981, 1st Ex. Sess., c. 2.)

Effect of amendment of 1980. — The amendment, effective March 8, 1980, inserted the language beginning "evidenced by notes or other negotiable instruments" and ending "issued under the provisions of this article" near the beginning of the first paragraph and added the language beginning "grants to the municipality from any agency of the State" the end of the second paragraph.

Effect of amendment of 1981. — T amendment rewrote the section.

Effective date. — Acts 1981, 1st Ex. Sess., 2 takes effect May 8, 1981.

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.
16-13A-1. General purpose of districts.
16-13A-2. Creation of districts by county commission; enlarging, reducing or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.
16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.
16-13A-3a. Removal of members of public service board.
16-13A-4. Board chairman; members' compensation; procedure; district name.
16-13A-5. General manager of board.
16-13A-6. Employees of board.
16-13A-7. Acquisition and operation of district properties.
16-13A-8. Acquisition and purchase of public service properties; right of en nent domain; extraterritor powers.
16-13A-9. Rules and regulations; serv rates and charges; discontinuar of service; required water a sewer connections; lien for del quent fees.
16-13A-9a. Limitations with respect foreclosure.
16-13A-10. Budget.
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16-13A-24. Acceptance of loans, grants or te porary advances.
16-13A-25. Borrowing and bond issuance Procedure.

§ 16-13A-1. General purpose of districts.

Any territory constituting the whole or any part of one or more counties the State so situated that the construction or acquisition by purchase otherwise and the maintenance, operation, improvement and extension properties supplying water or sewerage services, or gas distribution services all of these within such territory, will be conducive to the preservation of t public health, comfort and convenience of such area, may be constitute public service district under and in the manner provided by this article. T words "public service properties," when used in this article, shall mean a

cost thereof which is to be borne by the owner may be paid as a part of the cost of the works from the proceeds of bonds issued under this article unless otherwise provided by said ordinance or trust indenture prior to the issuance of the bonds. The income received by the owner under any such contract shall, if so provided in said ordinance or trust indenture, be deemed to be a part of the revenues of the works as in this article defined and be applied as herein provided for the application of such revenues. (1933, Ex. Sess., c. 25, § 19.)

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

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

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

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

Any holder of any such certificates or any of the coupons attached thereto, and the trustee, if any, except to the extent the rights herein given may be restricted by said ordinance authorizing issuance of the bonds or by the trust indenture, may either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted hereunder or under such ordinance or trust indenture, and may enforce and compel performance of all duties required by this article or by such ordinance or trust indenture to be performed by the municipality issuing the bonds or by the board or any oficer, including the making and collecting of reasonable and sufficient charges and rates for service rendered by the works. If there be any failure to pay the principal or interest of any of the bonds on the date therein named for such payment, any court having jurisdiction of the action may appoint a receiver to administer the works on behalf of the municipality and the bondholders and/or trustee, except as so restricted, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay any bonds and interest outstanding and to apply the revenues in conformity with this article and the said ordinance and/or trust indenture. (1933, Ex. Sess., c. 25, § 21.)

Rules of Civil Procedure. — As to abolition of procedural distinctions between law and equity, see Rule 2, appearing in Appendix. As to receivers, see Rule 66. As to application of rules to extraordinary remedies, see Rule 81(a)(5).

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

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

§ 16-13-22a. Acceptance of grants and procurement of loans or temporary advances from, and contracts and agreements with, federal agencies or private parties.

Any municipality is authorized and empowered to accept grants and procure loans or temporary advances for the purpose of paying part or all of the cost of acquisition or construction of said sewage works and the construction of betterments and improvements thereto from any authorized agency of the State or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances may be repaid out of the proceeds of bonds authorized to be issued under the provisions of this article; and to enter into the necessary contracts and agreements to carry out the purposes hereof with the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual.

In no event shall any such loan or temporary advance be a general obligation of the municipality and such loans or temporary advances, including the interest thereon, shall be paid solely from the proceeds of the bonds authorized to be issued under the provisions of this article or the revenues of the said sewage works so recited in each such contract and agreement. (1949, c. 93; 1961, c. 107.)

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

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

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

§ 16-13-22c. Refunding bonds.

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

§ 16-13-22d. Subordination of bonds.

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

§ 16-13-22e. Operating contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(j) Such other additional covenants as shall be deemed necessary or desirable for the security of the holders of bonds issued hereunder, notwithstanding that such other covenants are not expressly enumerated hereunder, it being the

intention hereof to grant to such municipalities the power to make any and all covenants or agreements necessary in order to secure greater marketability for bonds issued hereunder as fully and to the same extent as such covenants or agreements could be made by a private corporation rendering similar services and facilities and to grant such municipalities full and complete power to enter into any contracts, covenants or agreements with holder of bonds issued hereunder not inconsistent with the Constitution of the State of West Virginia. (1955, c. 132.)

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

This article, shall, without reference to any other statute, be deemed full authority for the construction, acquisition, improvement, equipment, maintenance, operation and repair of the works herein provided for and for the issuance and sale of the bonds by this article authorized, and shall be construed as an additional and alternative method therefor and for the financing thereof, and no petition or election or other or further proceeding in respect to the construction or acquisition of the works or to the issuance or sale of bonds under this article and no publication of any resolution, ordinance, notice or proceeding relating to such construction or acquisition or to the issuance or sale of such bonds shall be required except such as are prescribed by this article, any provisions of other statutes of the State to the contrary notwithstanding: Provided, however, that all functions, powers and duties of the state department of health shall remain unaffected by this article. (1933, Ex. Sess., c. 25, § 23.)

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

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

Notwithstanding any other provision contained in this article, and in addition thereto, the governing body of any municipal corporation which has received or which hereafter receives an order issued by the chief of the division of water resources or the state water resources board requiring such municipal corporation to cease the pollution of any stream or waters, is hereby authorized and empowered to fix, establish and maintain, by ordinance, just and equitable rates or charges for the use of the services and facilities of the existing sewer system of such municipal corporation, and/or for the use of the services and facilities to be rendered upon completion of any works and system necessary by virtue of said order, to be paid by the owner, tenant or occupant of each and every lot or parcel of real estate or building that is connected with and uses any part of such sewer system, or that in any way uses or is served thereby, and may change and readjust such rates or charges from time to time. Such rates or charges shall be sufficient for the payment of all the proper and reasonable costs and expenses of the acquisition and construction of plants, machinery and works

for the collection and/or treatment, purification and disposal of sewage, and the repair, alteration and extension of existing sewer facilities, as may be necessary to comply with such order of the chief of the division of water resources or the state water resources board, and for the operation, maintenance and repair of the entire works and system; and the governing body shall create, by ordinance, a sinking fund to accumulate and hold any part or all of the proceeds derived from rates or charges until completion of said construction, to be remitted to and administered by the state sinking fund commission by expending and paying said costs and expenses of construction and operation in the manner as provided by said ordinance; and after the completion of the construction such rates or charges shall be sufficient in each year for the payment of the proper and reasonable costs and expenses of operation, maintenance, repair, replacement, and extension from time to time, of the entire sewer and works. No such rates or charges shall be established until after a public hearing, at which all the potential users of the works and owners of property served or to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates or charges. After introduction of the ordinance fixing such rates or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates or charges, shall be given by publication of such notice as a Class II-0 legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The first publication shall be made at least ten days before the date fixed therein for the hearing. After such hearing, which may be adjourned from time to time, the ordinance establishing the rates or charges, either as originally introduced or as modified and amended, may be passed and put into effect. A copy of the schedule of such rates and charges so established shall be kept on file in the office of the sanitary board having charge of the construction and operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice. Any change or readjustment of such rates or charges may be made in the same manner as such rates or charges were originally established as hereinbefore provided: Provided, however, that if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. If any rate or charge so established shall not be paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the sanitary board of such municipal corporation in a civil action in the name of the municipality. Any municipal corporation exercising the powers given herein shall have authority to construct, acquire, improve, equip, operate, repair and maintain any plants, machinery, or works necessary to comply with such order of the state water resources board, and the authority provided herein to establish, maintain and collect rates or charges shall be construed as a further additional and alternative method of financing such works and matters, and shall be independent of any other provision of this article

insofar as such article provides for or requires the issuance of revenue bonds or the imposition of rates and charges in connection with such bonds: Provided, however, that except for the method of financing such works and matters, the construction, acquisition, improvement, equipment, custody, operation, repair and maintenance of any plants, machinery or works in compliance with an order of the state water resources board, and the rights, powers, and duties of such municipal corporation and the respective officers and departments thereof, including the sanitary board, shall be governed by the provisions of this article. (1955, c. 135; 1967, c. 105.)

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

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

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

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

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER AND SEWERAGE SERVICES.

Sec.
16-13A-1. General purpose of districts.
16-13A-2. Creation of districts by county commission; enlarging or reducing district; consolidation; agreements, etc., infringing upon powers of county commission.
16-13A-3. District to be a public corporation and political subdivision; powers thereof; creation of public service boards; appointment and qualifications of members; terms; removal; vacancies; organization.
16-13A-3a. Provisions for removal of members of public service board.
16-13A-4. Absence or resignation of chairman; salaries of members; procedural regulations; quorum; liability of members; changing corporate name of district.
16-13A-5. General manager of board.
16-13A-6. Employees of board.
16-13A-7. Acquisition and operation of district properties.
16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.
16-13A-9. Rules and regulations; service rates and charges; discontinuance of service to delinquent users; requiring connections with sewer facilities; lien for delinquent fees; certain sewer disposal systems exempted.
16-13A-10. Budget.
16-13A-11. Accounts; audit.
16-13A-12. Disbursement of district funds.
16-13A-13. Revenue bonds.
16-13A-14. Items included in cost of properties.
16-13A-15. Bonds may be secured by trust indenture.
16-13A-16. Sinking fund for revenue bonds.
16-13A-17. Collection, etc., of revenues and enforcement of covenants; default; suit, etc., by bondholder or trustee to compel performance of duties; appointment and powers of receiver.
16-13A-18. Operating contracts.
16-13A-18a. Sale, lease or rental of water system by district; distribution of proceeds.

Sec.
16-13A-19. Statutory mortgage lien created; foreclosure thereof.
16-13A-20. Refunding revenue bonds.
16-13A-21. Complete authority of article; liberal construction; district to be public instrumentality; tax exemption.
16-13A-22. Validation of prior acts and proceedings of county courts for creation of districts, inclusion of additional territory, and appointment of members of district boards.
16-13A-23. Validation of acts and proceedings of public service boards.
16-13A-24. Acceptance of loans or temporary advances from, and contracts and agreements with, federal agencies or private parties.
16-13A-25. Consent and approval of public service commission required before borrowing money, issuing bonds, etc.

Constitutionality of article. — The act from which this article was derived, authorizing the creation of public service districts by the county courts of this State, defining the powers and duties of the governing boards of such districts in the acquisition, construction, maintenance, operation, improvement and extension of property supplying water and sewerage services, and authorizing the issuance of bonds of such districts payable solely from revenue to be derived from the operation of such properties, does not violate any provision of the Constitution of this State or the Fourteenth Amendment to the Constitution of the United States. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

The title to Acts 1953, c. 147, is sufficient to give a fair and reasonable index to all of the purposes of the act. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

And purpose. — The purpose of this article is to provide water and sewerage facilities in unincorporated districts. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

Public service districts are "public utilities." 50 Op. Att'y Gen. 447 (1963).

Hence, they are required to pay a special license fee pursuant to § 24-3-6 for support of the public service commission. 50 Op. Att'y Gen. 447 (1963).

Cited in Berkeley County Pub. Serv. Dist. v. Vitro Corp. of America, 152 W. Va. 252, 162 S.E.2d 189 (1968).

§ 16-13A-1. General purpose of districts.

Any territory constituting the whole or any part of one or more counties in the State so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage services, or both, within such territory, will be conducive to the preservation of the public health, comfort and convenience of such area, may be constituted a public service district under and in the manner provided by this article. The words "public service properties," when used in this article, shall mean and include any facility used or to be used for or in connection with (1) the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses (herein sometimes referred to as "water facilities"), or (2) the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (herein sometimes referred to as "sewer facilities"). (1953, c. 147.)

STATE OF WEST VIRGINIA

OFFICE OF THE

SECRETARY OF STATE

THE PETITION OF DR. R. F. BRYANT, HARRY L. DYER, E. C. RIDDLE, HARRY LAYNE, HENRY ROUSH, R. T. OHLINGER, HOWARD BURRIS, WILLIAM POWELL, JR., R. V. GIBBS, J. V. McGREW, and HERMAN LAYNE FOR A CERTIFICATE OF INCORPORATION FOR NEW HAVEN, GRAHAM DISTRICT, MASON COUNTY, WEST VIRGINIA.

TO

HONORABLE LEWIS H. MILLER, JUDGE OF THE CIRCUIT COURT OF MASON COUNTY, WEST VIRGINIA.

ORDER:

This day came Dr. R. F. Bryant, Harry L. Dyer, E. C. Riddle, Harry Lane, Henry Roush, R. T. Ohlinger, Howard Burris, William Powell, Jr., R. V. Gibbs, J. V. McGrew, and Herman Layne, in person as well as by their attorney, Burton Crow, and presented the Court with a petition praying that a certificate of incorporation be issued for New Haven, Graham District, Mason County, West Virginia as bounded and described in said petition, and it appearing to the court that petitioners had caused a survey and map of the territory proposed to be incorporated by a registered professional Engineer, that said map and survey as varified by affidavit of said Engineer had been posted in said proposed corporate limits for more than thirty days, that notices had been posted in more than three public places within said proposed corporate limits, for more than thirty days, stating where said map and survey could be inspected by any person or persons interested, that they had caused to be made a census of the residents, listing the head of each family with the number of the members thereof residing within the said proposed corporate limits, and that said census had been posted within a public place within said proposed corporate limits for more than thirty days verified by an affidavit as to its correctness, and that notice had been posted for more than thirty days in more than three public places stating where said census might be inspected by any person or persons interested, that they caused notices to be posted in five public places witin said proposed corporate limits stating the time and place an election would be held for the incorporation of New Haven with a description of said corporate limits embodied therein. It further appearing to the court that on the day set out in said notice of election the voters presiding within the proposed corporate limits assembled at the time set out in said notice and elected three commissioners to conduct said election from their midst and that after all had been given equal opportunity to vote the commissioners closed the polls and proceeded to count the vote cast therein and it appearing that a majority of the voters residing in the said proposed corporate limits present and voting had voted in favor of the incorporation, the court is of the opinion that the Certificate of Incorporation prayed for in the petition should be issued, it is therefore adjudged, ordered and decreed that the Clerk of the Circuit Court of Mason County issue said Certificate of Incorporation. It further appearing to the Court that Chapter 8 of the Code of West Virginia, 1931 provided for the appointment of three Commissioners residing within said territory to conduct the first election for municipal officers, the court is of the opinion to and doth hereby appoint: Henry Hart, Ruth Batey and Harry Lane as Commissioners to conduct first municipal election for the Town of New Haven. All of which is accordingly ordered and decreed by the Court.

CERTIFICATE OF INCORPORATION

A certificate under oath of Allen Layne, Frank Zirkle and J. W. Buffington was this day filed, showing that a majority of all the qualified voters residing in the following

boundary, to-wit:

Beginning at a point located on the South bank of the Ohio River and the West Bank of Big Broad Creek at the confluence of the two streams; thence South 9 degrees 59' West for a distance of 1845.09 feet to a point; thence South 15 degrees and 22' East for a distance of 312.81 feet to a point; thence South 32 degrees and 20' East for a distance of 165.1 feet to a point; thence South 19 degrees and 16' West for a distance of 617.5 to a point; thence North 78 degrees and 57' West for a distance of 524.9 feet to a point; thence South 19 degrees and 26' West for a distance of 68.8 feet to a point; thence North 87 degrees and 45' West for a distance of 102.9 feet to a point; thence South 17 degrees and 15' West for a distance of 61.05 feet to a point; thence South 82 degrees and .06' West for a distance of 359.75 feet to a point; thence North 79 degrees and 44' West for a distance of 867.55 feet to a point; thence North 74 degrees and 40' West for a distance of 976.85 feet to a point; thence North 49 degrees and 50' West for a distance of 1464.6 feet to a point; thence North 27 degrees and 27' East for a distance of 644.45 feet to apoint; thence North 28 degrees and 56' East for a distance of 212.3 feet to a point; thence on the same bearing North 28 degrees and 56' East for a distance of 1156 feet, more or less, across the Ohio River to an intersection of the State line between the State of West Virginia and the State of Ohio; thence along said State line in a Northeasterly direction for a distance of 3160 feet, more or less, to a point, said point being the intersection of an Easterly boundary of said Corporation with said State line between Ohio and West Virginia, said corporate line having a bearing of South 9 degrees and 59' West; thence South 9 degrees and 59' West along said line, for a distance of 768 feet, more or less, to the point of beginning, containing in all approximately 0.414 square miles.

have voted in due form of law, in favor of the incorporation of the Town of New Haven, in Graham District, Mason County, West Virginia, bounded as herein set forth. And it appearing to the satisfaction of the Court that all of the provisions of Chapter Eight of the Code of West Virginia, have been complied with by the applicants for said incorporation, said Town is a body corporate, duly authorized within the corporate limits aforesaid, or as otherwise provided, to exercise all the corporate powers conferred by said Chapter from and after the date of this Certificate.

Given under my hand this the 2nd day of December, 1935.

Vernon Jones,
Clerk of the Circuit Court
of Mason County, West Virginia.

John Miller vs. D. E. Newton and Martha A. Newton, Administrators of the estate of W. H. Newton, deceased.	In assumpsit.

This day came the defendant by Stephen K. Vaught, his attorney, and for good cause

I, Miles S. Epling, Clerk of the Circuit Court of Mason County, State of West Virginia, do hereby certify that the foregoing is a true copy of an order entered in Law Order Book No. 18, at Page 200 as of December 2, 1935, as of record in my office.

Given under my hand and seal of said Court, this 25th day of OCtober, 1982.

Miles S. Epling
Circuit Clerk of Mason County
West Virginia

State of West Virginia
Town of New Haven
County of Mason

I DO SOLOMNLY SWEAR I WILL SUPPORT THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, THE CONSTITUTION OF THE UNITED STATES, AND THAT I WILL DISCHARGE THE DUTIES OF THE RESPECTIVE OFFICE OF MAYOR OF THE TOWN OF NEW HAVEN, SO HELP ME GOD.

MAYOR

SUBSCRIBED AND SWORN TO BEFORE ME THIS 1 DAY OF July 1982

Connie L. Ball

WITNESSED BY : Jack O. Hesson

State of West Virginia
Town of New Haven
County of Mason

I DO SOLOMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, THE CONSTITUTION OF THE UNITED STATES, AND THAT I WILL DISCHARGE THE DUTIES OF THE RESPECTIVE OFFICE OF RECORDER OF THE TOWN OF NEW HAVEN TO THE BEST OF MY SKILL AND ABILITY, SO HELP ME GOD.

Connie R. Ball
Recorder

SUBSCRIBED AND SWORN TO BEFORE ME THIS 1 DAY OF July 1982

Mayor

WITNESSED BY : Harry L. Hoffman

State of West Virginia
Town of New Haven
County of Mason

WE, AND EACH OF US, DO SOLOMNLY SWEAR THAT WE, AND EACH OF US, WILL SUPPORT THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THE CONSTITUTION OF THE UNITED STATES, AND THAT WE, AND EACH OF US WILL DISCHARGE THE DUTIES OF OUR RESPECTIVE OFFICES AS MEMBERS OF THE MUNICIPAL COUNCIL OF THE TOWN OF NEW HAVEN TO THE BEST OF OUR ABILITY AND SKILL, SO HELP ME GOD.

Jack O. Hesson Sarah L. Gibbs
Ronald K. Zerkle Dianne Taylor
Harry H. Hoffman

SUBSCRIBED AND SWORN TO BEFORE ME THIS 1 DAY OF July 1982

WITNESSED BY Gregory Lindemann
Mayor

STATE OF WEST VIRGINIA
Town of New Haven
County of Mason

WE, AND EACH OF US, DO SOLEMNLY SWEAR THAT WE, AND EACH OF US, WILL SUPPORT THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, THE CONSTITUTION OF THE UNITED STATES, AND THAT WE, AND EACH OF US WILL DISCHARGE THE DUTIES OF OUR RESPECTIVE OFFICES AS MEMBERS OF THE MUNICIPAL COUNCIL OF THE TOWN OF NEW HAVEN TO THE BEST OF OUR ABILITY AND SKILL, SO HELP ME GOD.

Frank Young Jr. Sarah L. Gibbs
Francis Taylor James Sam Knight
Michael E. Fields
* Harry Hoffman

SUBSCRIBED AND SWORN TO BEFORE ME THIS 1 DAY OF July 1980.

WITNESSED BY: Wendy L. Divers

Harry -

Council met in regular session on Monday evening June 8, 1981 at 7:30p.m.

Council present were Frank Young, Frances Taylor, Sarah Gibbs, Minutes from the previous meeting were read and approved by Frances Taylor, Seconded by Frank Young, Motion Carried. Financial Statement was given by the treasurer in the General Fund Account, the balance due as of May 31, was $9,252.68. The water and sewer financial report was not given due to the fact that our auditors had not returned the checks and stubs to us as yet. Financial statement was approved by Frances Taylor, Seconded by Sarah Gibbs, Motion Carried.

A motion was made by Sarah Gibbs to accept Harry Hoffman as new council member, Mr. Hoffman is to fill the unexpired term of Michael Fields. Motion was seconded by Frank Young, Motion Carried, Mr. Hoffman was then sworn in by the Mayor.

Mr. Lonnie Trivett was present at the meeting to discuss with the council the possibility of taking out disability Insurance on all town employees. In order for the town to take this insurance under group rates, we would have to have 10 eligable employees. We could still be covered by the insurance plan not under group rates with 7 employees, and the cost would be $62.60 per month.

This includes 5,000 Life Benefit
5,000 Accidental Death
5,000 Dismemberment

Disability benefit weekly would amount to $98.00 a week for 26 weeks beginning on the first day for accident and on the 8th day for Illness.

The council decided to talk this policy over and get back with Mr. Trivett at a later date. A motion was made by Frances Taylor to leave the matter up to the Mayors discrepancy, as to weather we take the insurance, that way we would not have to wait till another council meeting if they decided to take the policy. This motion was seconded by Frank Young Motion Carried.

A motion was made to accept building permits for Charles Roush, Elmer Brinker, and Ronnie Roush, Motion made by Frances Taylor, Seconded by Frank Young Motion Carried.

Chuck Zerkle was before council concerning bigger speed limit signs and some reduce speed ahead signs. Chuck ask if the Mayor would call about the situation, he feels that ~~maby~~ maybe he would have more influence than an officer would.

The summer youth kids were discussed, at present we do not have the 16th slot filled, but it will be filled before the 22.

AN ORDINANCE making provisions for the issuance of Sewer Revenue Bonds of the Town of New Haven, West Virginia, for the purpose of defraying the cost, not otherwise provided, of constructing improvements and extensions to the sewage system, setting forth the terms and conditions upon which said bonds and additional bonds ranking on a parity therewith are to be and may be issued and outstanding, and providing for the collection, segregation and distribution of income and revenues from the operation of the sewage system of said town so as to pay said bonds and interest thereon.

* * *

WHEREAS, the Town of New Haven, in Mason County, West Virginia, presently owns and operates the sewage system works and facilities (hereinafter in this ordinance referred to as "sewage system") supplying sewer service in and to said town and surrounding territory; and

WHEREAS, the Sanitary Board of said town has deemed it advisable and necessary in the public interest that said town construct improvements and extensions to the municipal sewage system, together with appurtenances necessary or useful, in connection therewith, all as contemplated and provided by the report dated _____ ____, 19__, of Municipal Engineering Corporation and Robert Anderson, Consulting Engineer, retained by said Board and generally described as follows:

> construction of two intercepting sewers, two pumping stations, force mains, a primary type sewage treatment plant and necessary appurtenances

and it is also deemed advisable and necessary and in the public interest by Council that said improvements and extensions be so constructed; and

WHEREAS, the cost of said improvements and extensions, including financing, engineering, incidentals, and other pertinent costs has been estimated by the engineer aforesaid to be $169,000, and said Sanitary Board has petitioned this Council to enact an ordinance ordering the construction of such improvements and ex-

tensions and providing for the issuance of revenue bonds to pay the cost thereof not otherwise provided; and

WHEREAS, pursuant to the provisions of Article 13 of Chapter 16 of the West Virginia Code, said town is now authorized and permitted to issue revenue bonds for the purpose of paying the cost, not otherwise provided, of such improvements and extensions and it is necessary at this time that provision be made for the issuance of such bonds to the amount of $140,000 for the purpose aforesaid and to set forth the conditions and restrictions upon which such bonds and any additional bonds ranking on a parity therewith are to be and may be issued and outstanding;

NOW, THEREFORE, Be It Ordained by the Council of the Town of New Haven, West Virginia, as follows:

Section 1. That all proceedings heretofore taken relating to the creation and organization of the Sanitary Board of said Town of New Haven and to the construction of improvements and extensions to the sewage system of said town, be and the same are hereby in all respects ratified and confirmed.

Section 2. That the construction of the improvements and extensions referred to in the preamble of this ordinance with all necessary appurtenances is hereby ordered, and for the purpose of paying the cost thereof not otherwise provided there be issued the bonds of said town to be known as "Sewer Revenue Bonds", in the principal amount of $140,000, which bonds shall bear date of June 1, 1963, be of the denomination of $1,000 each, numbered consecutively 1 to 140, inclusive, bonds numbered 1 to 10, inclusive, shall bear interest at the coupon rate of four per cent (4%) per annum, bonds numbered 11 to 20, inclusive, at the coupon rate of four and one-quarter per cent (4-1/4%) per annum, bonds numbered 21 to 30,

inclusive, at the coupon rate of four and one-half per cent (4-1/2%) per annum and bonds numbered 31 to 140, inclusive, at the coupon rate of four and three-quarters per cent (4-3/4%) per annum, such interest to be payable December 1, 1963 and semiannually thereafter on June 1 and December 1 of each year, and said bonds shall mature in numerical order on June 1 of the respective years as follows:

Year	Amount	Year	Amount
1965	$2,000	1985	$3,000
1966	2,000	1986	3,000
1967	2,000	1987	3,000
1968	2,000	1988	4,000
1969	2,000	1989	4,000
1970	2,000	1990	4,000
1971	2,000	1991	4,000
1972	2,000	1992	4,000
1973	2,000	1993	5,000
1974	2,000	1994	5,000
1975	2,000	1995	5,000
1976	2,000	1996	5,000
1977	2,000	1997	6,000
1978	2,000	1998	6,000
1979	2,000	1999	6,000
1980	2,000	2000	7,000
1981	2,000	2001	7,000
1982	3,000	2002	8,000
1983	3,000	2003	8,000
1984	3,000		

provided, however, said bonds numbered 19 to 140, inclusive, shall be redeemable before maturity at the option of said town on June 1, 1973, and on any interest payment date thereafter in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot) upon terms of par and accrued interest to the date fixed for redemption, plus a redemption premium of three per cent of the principal amount thereof; and in the event of such redemption said town will cause notice identifying the bonds to be redeemed to be published at least once in a newspaper of general circulation published in the City of Charleston, West Virginia, not less than thirty days prior to such redemption date. All such bonds thus called for redemption, and for the payment of which funds are provided on the redemption date will cease to bear interest thereafter.

Both principal and interest shall be payable in lawful money of the United States of America at the office of the State Sinking Fund Commission of West Virginia, in the City of Charleston, West Virginia. Said bonds shall be signed by the Mayor and attested by the Recorder of said town and sealed with its corporate seal, and the interest on said bonds shall be evidenced by coupons attached thereto, which shall be executed with the facsimile signatures of said Mayor and Recorder, and said officials by the execution of said bonds shall adopt as and for their own proper signatures their respective facsimile signatures on said coupons. All of said bonds, and the interest thereon, together with any additional bonds ranking on a parity therewith issued under conditions and restrictions hereinafter set forth, shall be payable out of the special fund hereinafter referred to and the portion of the net revenues of the sewage system of said town pledged to said fund.

Section 3. That upon presentation at the office of the Recorder of said town of any of said bonds same may be registered as to principal in the name of the owner on the books in his office, such registration to be noted on the reverse side of the bonds by the Recorder, and thereafter the principal of such registered bonds shall be payable only to the registered holder, his legal representatives or assigns. Such registered bonds shall be transferable to another registered holder, or back to bearer, only upon presentation to said Recorder with a legal assignment duly acknowledged or proved. Registration of any of such bonds shall not affect the negotiability of the coupons thereto attached, but such coupons shall be transferable by delivery merely.

Section 4. That said bonds and coupons and provisions for registration shall be in substantially the following form, to wit:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF WEST VIRGINIA

COUNTY OF MASON

TOWN OF NEW HAVEN

SEWER REVENUE BOND

No. _____ $1,000

KNOW ALL MEN BY THESE PRESENTS: That the Town of New Haven, in the County of Mason and State of West Virginia, for value received, hereby promises to pay from the special fund provided therefor as hereinafter set forth, to the bearer or, if this bond be registered as to principal, to the registered holder hereof, on the first day of June, ____, the sum of One Thousand Dollars ($1,000) and from said special fund to also pay interest on said sum from the date hereof until paid at the rate of _____ per cent (_____%) per annum on December 1, 1963 and semiannually thereafter on the first days of June and December in each year, except as the provisions hereinafter set forth with respect to redemption may be and become applicable hereto, all such interest as may accrue on and prior to the maturity date hereof to be payable only upon presentation and surrender of the coupons hereto appertaining as they severally become due, both the principal of and interest on this bond being payable in lawful money of the United States of America, at the office of the State Sinking Fund Commission of West Virginia in the City of Charleston, West Virginia.

This bond is one of a series of bonds numbered consecutively from 1 to 140, inclusive, issued by said town pursuant to ordinance duly enacted for the purpose of defraying the cost, not otherwise provided, of constructing improvements and extensions to its sewage system under and in full compliance with the Constitution

and statutes of the State of West Virginia, including among others Article 13 of Chapter 16 of the West Virginia Code.

Bonds numbered 19 to 140, inclusive, of the series of which this bond is one shall be optional for redemption by said town prior to maturity on June 1, 1973, and on any interest payment date thereafter in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot) upon terms of par and accrued interest to the date fixed for redemption, plus a redemption premium of three per cent of the principal amount thereof, and in the event of such redemption it is hereby agreed that notice identifying the bonds to be redeemed will be given by publication at least once in a newspaper of general circulation published in the City of Charleston, West Virginia, not less than thirty days prior to such redemption date. All such bonds thus called for redemption, and for the retirement of which funds are duly provided will cease to bear interest on the redemption date.

This bond and the series of which it is one, together with any additional bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions set forth in said ordinance, are payable only from and secured by net revenues to be derived from the operation of the municipal sewage system of said town, which shall be sufficient to pay the principal of and interest upon said bonds as and when the same become due and payable, and which shall be set aside as a special fund and are hereby pledged for that purpose. This bond does not constitute a corporate indebtedness of the Town of New Haven within the meaning of any constitutional or statutory provisions or limitations, nor shall said town be obligated to pay this bond or interest thereon from any other funds. Said town covenants it fill fix such rates and

charges for the use of and services rendered by said sewage system and will collect and account for revenues therefrom sufficient to promptly pay all expenses of operation, repair and maintenance thereof and the principal of and interest on this bond and the series of which it is one as the same will become due.

This bond is fully negotiable but may be registered as to principal only in the name of the holder on the books of said town in the office of its Recorder, such registration to be evidenced by notation on the back hereof by the Recorder, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery but it may be again registered as before. The registration of this bond as to principal shall not restrain the negotiability of the coupons by delivery merely.

This bond is exempt from taxation by the State of West Virginia and any county or municipality therein.

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 said town, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the net revenues of the sewage system of said town has been pledged to and will be set aside into said special fund by said town for the prompt payment of the principal of and interest on this bond and the series of which it is one.

IN WITNESS WHEREOF, the Town of New Haven has caused this bond to be signed by its Mayor, attested by its Recorder and its

corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the facsimile signatures of said Mayor and Recorder, which officials by the execution of this bond do adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons, and this bond to be dated as of the first day of June, 1963.

_____
Mayor

Attest:

_____
Recorder

(Form of Coupon)

No. _____ $_____

On the first day of _____, ____, the Town of New Haven, West Virginia, will pay to bearer _____ _____ Dollars ($_____) out of the special fund provided therefor, at the office of the State Sinking Fund Commission of West Virginia in Charleston, West Virginia, as provided in and for interest then due on its Sewer Revenue Bond dated June 1, 1963, Number _____.

_____
Mayor

Attest:

_____
Recorder

(Form for Registration to be printed on the back of each bond)

Date of Registration	In Whose Name Registered	Signature of Recorder

Section 5. That from and after the issuance of any of the bonds herein authorized, the municipal sewage system of said Town of New Haven shall be operated as a revenue producing and self-liquidating undertaking and the revenues derived from the rates and charges for sewer services shall be set aside into a separate and special fund hereby created and designated as the "Sewer Revenue Fund" to be used (1) to pay the reasonable expenses of operation, repair and maintenance of the system; (2) to pay when due the interest on and principal of the bonds hereby authorized and any additional bonds ranking on a parity therewith from time to time outstanding; and to pay the fiscal agency charges for paying all such interest and principal; and to accumulate and maintain a margin of safety and reserve for payment of all of said bonds and interest thereon; and (3) to provide proper funds for a depreciation account.

(1) There is hereby created a special fund to be designated "Operation and Maintenance Fund", into which there shall be paid each month from said revenues the amount of the reasonable expenses of operation, repair and maintenance of the municipal sewage system of said town, and said special fund shall be used and disbursed only for that purpose.

(2) There is hereby created a special fund to be designated "Sewer Revenue Bond Interest and Sinking Fund" (hereinafter sometimes referred to as the "sinking fund") into which there shall

be paid all or such portion of the balance of said revenues as shall be sufficient to pay, when due, (a) the interest upon all of the bonds outstanding under the provisions of this ordinance including any bonds ranking on a parity with the bonds herein authorized, (b) the necessary fiscal agency charges for paying all of said bonds and interest thereon, (c) the principal amount of all of said bonds, and (d) to provide a margin for safety and reserve for the payment of all of said bonds and interest thereon, and it is hereby determined that the minimum amounts so to be paid into the special fund for account of the bonds herein authorized during the respective years shall be not less than as follows:

> All sums received as accrued interest in the issuance and sale of the bonds hereby authorized together with a portion of the bond proceeds in the amount of $13,000 (representing interest on the bonds herein authorized during the construction of the improvements and extensions) shall be paid into said sinking fund and from and after the issuance of any of the bonds herein authorized there shall be paid into said sinking fund each month commencing on the first day of the month following the date of completion of the improvements and extensions to the municipal sewage system for account of which said bonds were authorized or June 1, 1964 (whichever date is the earlier) an amount equal to at least (1) one-fifth of the amount of interest becoming due on the bonds hereby authorized on the next succeeding interest payment date, plus (2) one-tenth of the amount of principal of the bonds hereby authorized becoming due on the next succeeding June 1, provided that when there shall have been accumulated and so

long as there is maintained in said sinking fund with the State Sinking Fund Commission of West Virginia as a reserve an amount equal to two times the average annual principal and interest requirements on all of said bonds then outstanding then the amount to be so set aside and paid into said sinking fund each month may be reduced to not less than one-sixth of the amount of interest and one-twelfth of the amount of principal as hereinbefore otherwise provided. No further payments need be made into said sinking fund after and so long as such amount of the bonds shall have been retired that the amount then held in said sinking fund is equal to the entire amount required for the retirement of the bonds and to pay all interest that will have accrued and will become due at the time of such retirement.

Whenever and to whatever extent additional bonds ranking on a parity with the bonds herein specifically authorized are hereafter issued under the conditions and restrictions hereinafter set forth provisions shall be made at or before the time of such issuance for additional monthly payments into said sinking fund for meeting the interest and principal requirements of such additional bonds, paying the additional fiscal agency charges thereon, and to accumulate and maintain a margin of safety and reserve therefor in like manner and proportion as such provisions are herein made for the bonds herein specifically authorized.

The amount by which any balance in said sinking fund exceeds the current interest and principal requirements shall be held in said sinking fund as a reserve for contingencies and used solely as herein provided. If in any month the town shall for any reason fail to pay into said sinking fund the respective minimum amounts,

then an amount equivalent to such deficiency shall be set apart and paid into said fund from the first available revenues of the following month or months, as the case may be, and same shall be in addition to the amount otherwise herein provided to be so set apart and paid during such succeeding month or months.

If for any reason the town shall fail to make any such payment into said sinking fund, as aforesaid, any sums then held as a reserve for contingencies shall be used for the payment of any portion of the interest on or principal of said bonds as to which there would otherwise be default, but such reserve shall be reimbursed therefor from the first available payments made into the sinking fund in the following month or months in excess of the required payments.

Such payments into said fund shall be made in equal monthly installments on the first day of each month except that when the first day of any month shall be a Sunday or a legal holiday then such payments shall be made on the next succeeding secular day and all such payments shall be remitted to the State Sinking Fund Commission of West Virginia with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this ordinance.

Said sinking fund shall be used solely and only and is hereby pledged for the purpose of servicing the bonds herein authorized to be issued and any additional bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions hereinafter set forth. No funds in said sinking fund shall be used to purchase or redeem bonds in advance of maturity except that part in excess of actual principal and interest requirements for twelve months on bonds then outstanding and the prescribed reserve unless all bonds then outstanding are to be re-

tired. Any such purchase of bonds prior to maturity shall be made at the lowest prices (not exceeding the terms of redemption thereof on the next succeeding redemption date) following advertisement for tenders, but if insufficient acceptable tenders are received the remaining excess shall be applied to the calling and redemption of bonds as hereinbefore provided.

(3) There is hereby created a special fund to be designated "Depreciation Fund", into which there shall next be set apart and paid from said Sewer Revenue Fund each month, after making the payments hereinbefore specified into the operation and maintenance fund and sinking fund, an amount equal to 5% of the gross revenues paid into said Sewer Revenue Fund during the preceding monthly period until the amount in said fund shall aggregate $15,000, and whenever withdrawals are made from said fund so as to reduce the balance therein to less than $15,000 the payments shall continue so as to restore the amount therein to at least $15,000. All funds in said Depreciation Fund shall be kept apart from all other municipal funds, or all or any part of said fund may be invested in bonds or other direct or fully guaranteed obligations of the United States of America maturing or being subject to retirement at the option of the holder within not more than ten years from the date of such investment. Withdrawals and disbursements may be made from said Depreciation Fund for renewals or replacements to the municipal sewage system or for improvements or extensions thereto and provided also that withdrawals and disbursements shall also be made from said Depreciation Fund to meet the payment of interest on or principal of the bonds herein authorized and any additional parity bonds to whatever extent and if for any reason funds in the sinking fund are insufficient for that purpose.

Whenever all of the required and provided transfers and payments from said Sewer Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Sewer Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into said Operation and Maintenance Fund during the succeeding twelve months and into said sinking fund and Depreciation Fund during the next succeeding three months such excess may be transferred and paid into the sinking fund or may be withdrawn and used for improvements and extensions to the municipal sewage system, or may be applied to the purchase or retirement of bonds in advance of maturity, and such excess shall not be subject to withdrawal for any other purpose.

Section 6. The rates for all services rendered by the sewage system of said town shall be reasonable and just, taking into account and consideration the cost and value of said system and the cost of maintaining, repairing and operating the same and the proper and necessary allowances for depreciation thereof and the amounts necessary for the retirement of all bonds and the accruing interest on all such bonds, and there shall be charged such rates and amounts as shall be adequate to meet the requirements of this and the preceding section hereof. Compensation for services, if any, rendered to said town shall in like manner be charged against the town and payment for same shall be made from its corporate funds. The proceeds or income from all charges and contracts for sewers and sewage service furnished by said sewage system within or outside the corporate limits of said town shall be included and accounted for as other income and revenue of said system.

Insofar as consistent with the laws of West Virginia, said town agrees that so long as any of the bonds hereby authorized remain outstanding it will keep proper books of record and

account, separate from all other municipal records and accounts, showing complete and correct entries of all transactions relating to said sewage system, and will cause such books of record and account to be audited annually by an independent certified public accountant. A copy of each such audit shall be furnished to the original purchaser of the bonds hereby authorized and copies thereof shall be made available for any bondholder requesting same. The holders of any of said bonds shall have the right at all reasonable times to inspect the system and all records, accounts and data relating thereto. The town hereby further agrees to furnish monthly to the original purchaser of the bonds hereby authorized, on such forms as may be supplied by said purchaser, a copy of each letter of transmittal from the town to the State Sinking Fund Commission accompanying the remittance of said town of its monthly payment into the sinking fund, as hereinbefore provided, and a monthly financial report in reasonable detail compiled by persons in the regular employ of the town covering the operation of said system and the income and disbursements for account of said system for such period.

It is hereby represented and certified that a sanitary board for said town has heretofore been lawfully created and organized and placed in charge of the operation of its municipal sewage system and that prior to the issuance of any of said bonds equitable rates or charges for the use of and service rendered by said sewage system will be established pursuant to a public hearing, all in the manner and form required by Section 1409(30) of the West Virginia Code; that copies of such rates or charges so established will be continuously on file in the office of said Sanitary Board and in the office of the Recorder, each of which copies will be open to inspection by all parties interested. The

schedule of rates or charges shall at all times be adequate to produce gross revenues from said sewage system to pay the expenses of operation, repair and maintenance thereof and leave a balance of net revenues sufficient to make the prescribed payments into the sinking fund and depreciation fund as hereinbefore set forth. Such schedule shall be changed and readjusted whenever necessary so that the aggregate of the rate or charges will be sufficient for such purposes.

Charges for sewer services shall be billed separately but at the same time as charges made for water services to the respective premises. To the full extent permitted by law the town shall, under reasonable rules and regulations, shut off and discontinue the supply of the services and facilities of said sewage system and water services to any premises whenever the charges for said sewer services shall remain unpaid for a period of sixty days after the same shall become due and payable, and the town shall not restore such services and facilities until all such delinquent charges together with reasonable interest and penalty charges have been paid in full.

All rates or charges if not paid when due shall constitute a lien upon the premises served, and if not paid within thirty days after the same become due, the amount thereof, together with a penalty of ten per cent and reasonable attorney's fees shall be recovered and shall be enforced by the Sanitary Board in a civil action in the name of the municipality, and as a part of such action the lien aforesaid shall be foreclosed in accordance with the laws relating to the enforcement of such liens all as permitted and provided by Section 1409(30) of the West Virginia Code.

Section 7. The Town of New Haven hereby covenants and agrees with the holder or holders of the bonds herein authorized to be issued, or any of them, that it will faithfully and punctually perform all duties with reference to said sewage system required

by the Constitution and laws of the State of West Virginia, including the making and collecting of reasonable and sufficient rates for services rendered by said system, and will segregate the revenue therefrom and make application thereof consistent with and as provided by this ordinance; and said town hereby irrevocably covenants, binds and obligates itself not to sell, lease, mortgage or in any manner dispose of any integral part of said system, including any and all appurtenances thereto and extensions and additions that may be made thereto, until all the bonds herein authorized to be issued and any additional bonds ranking on a parity therewith shall have been paid in full, both principal and interest, or legal and sufficient provision for such payment shall have been made, and further covenants and agrees with the holders of said bonds to maintain in good condition and continuously operate said system and appurtenances and to charge and collect such rates or charges for services rendered thereby so that the gross revenues will be sufficient at all times to provide for the payment of the operation, repair and maintenance of said system and leave net amounts to be paid into the sinking fund and depreciation fund as provided herein.

The town hereby further covenants and agrees that so long as any of the bonds hereby authorized are outstanding it will carry for the benefit of the holders of the bonds adequate fire and windstorm insurance on all buildings of the municipal sewage system which are subject to loss through fire and windstorm and will carry adequate public liability insurance, and will carry for the benefit of the holders of the bonds insurance of the kinds and in the amounts normally carried by private companies in the operation of similar systems in West Virginia. All money received for losses under any of such insurance policies, except public liability, shall be paid into the Depreciation Fund and such payments shall not reduce the amounts otherwise required to be paid into said fund. Disbursement of such

proceeds shall be made in the same manner and for the same purposes as are other disbursements from the Depreciation Fund.

Section 8. That any holder of said bonds or of any of the coupons may either at law or in equity, by suit, action, mandamus or other proceedings protect and compel performance of all duties imposed or required by this ordinance or the law pursuant to which said bonds are to be issued, including the making and collection of sufficient rates and segregation of the revenues and the application thereof. That upon the filing of suit by any holder of said bonds or of any of the coupons, any court having jurisdiction of the action may appoint a receiver to administer said system on behalf of the town, with power to charge and collect rates sufficient to provide for the payment of any bonds or obligations outstanding against said system and for the payment of the operating expenses, and to apply the revenues in conformity with this ordinance and the provisions of said statute laws of West Virginia aforesaid.

Section 9. The bonds authorized to be issued hereunder and from time tc time outstanding shall not be entitled to priority one over the other in the application of the revenues of said system or with respect to the security for their payment, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the bonds authorized or permitted to be issued under the provisions of this ordinance, regardless of the fact that they may be actually issued and delivered at different times.

Said town hereby reserves the right and privilege of issuing additional bonds payable from the "Sewer Revenue Bond Interest and Sinking Fund", hereinbefore created and ranking on a parity with the bonds hereby authorized for the purpose of paying the cost of further extensions and improvements to the municipal sewage system; provided that before any such additional parity bonds

are issued there shall have been procured and filed with the Recorder a statement by an independent certified public accountant not in the regular employ of the town on a monthly salary basis reciting the opinion based upon the necessary investigation that the net operating revenues of said sewage system for twelve consecutive months out of the preceding eighteen months was equal to at least 1.50 times the maximum amount of principal and interest that will become due in any calendar year on account of the bonds then outstanding and the bonds then proposed to be issued. The words "net operating revenues" as herein used are defined as gross revenues less operating expenses which shall include salaries, wages, cost of maintenance and operation, materials and supplies, administration and insurance, as well as all other items that are normally and regularly so included under recognized accounting practices, exclusive of allowances for depreciation, and the amount of gross revenues aforesaid may be adjusted for the purpose of the foregoing computations by written certification of an independent engineer or firm of enginners of national reputation in the field of sanitary engineering licensed in the State of West Virginia and not in the regular employ of the town and not interested in the municipal sewage system or improvements and extensions thereto, so as to reflect any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional parity bonds.

The interest payment dates for all such additional parity bonds shall be semi-annually on June 1 and December 1 and the principal maturities thereof shall be on June 1 of the year in which any such principal is scheduled to become due.

The additional parity bonds (sometimes herein referred to as "permitted" to be issued), the issuance of which is restricted and conditioned by this section, shall be understood to mean bonds

payable from the revenues of said system on a parity with the bonds herein authorized, and shall not be deemed to include nor prohibit the issuance of other obligations, the security and source of payment of which is subordinate and subject to the priority of payments into the sinking fund for account of the bonds authorized or permitted to be issued hereunder. So long as any of the bonds authorized by this ordinance or any additional parity bonds remain outstanding no other bonds or other obligations may be issued or incurred having any priority or preference and except as permitted and provided by this section no other bonds or obligations may be incurred ranking on a parity therewith.

Section 10. That the bonds hereby authorized be executed as herein provided as soon after the adoption of this ordinance as may be and be thereupon sold and delivered to Richard G. Howes & Company of Cincinnati, Ohio pursuant to the agreement approved and accepted by the Council on _____, 19___, and the terms and conditions of said agreement are in all respects hereby ratified and confirmed and found to be for the best interests of said town. The proceeds derived from the issuance of said bonds, exclusive of accrued interest, shall be used only for the purpose of defraying the cost, not otherwise provided, of constructing the improvements and extensions to the sewage system of said town all as generally described and referred to in the preamble hereof; provided that interest accruing on said bonds during the construction of said improvements and extensions shall be deemed an item of construction cost and shall be paid from the proceeds of such bonds. Promptly upon the issuance of any of the bonds hereby authorized all sums received as accrued interest, together with a portion of the bond proceeds in the amount of $13,000 shall be set aside in the sinking fund. All such proceeds available for construction work pending expenditure thereof shall be deposited in a bank or banks which are

members of the Federal Deposit Insurance Corporation, as a special account and to the extent any such deposit in any one bank exceeds $10,000 such excess shall be secured by a surety bond or bonds furnished by a surety company or companies qualified or authorized to do business in West Virginia or the excess of such deposit shall be collaterally secured by direct obligations or guaranteed bonds or securities of the United States of America having an equivalent market value. The proceeds of said bonds thus set apart for construction costs shall be paid out only upon certification by the engineer employed by the Sanitary Board to supervise the construction work of such improvements and extensions to the effect that the respective amounts of such expenditures represent amounts due and payable for materials furnished or work or services performed in accordance with the plans and specifications for such improvements and extensions. Any surplus remaining after completion of such construction shall be paid into the sinking fund aforesaid.

Section 11. The provisions of this ordinance shall constitute a contract between the Town of New Haven and the holders of the bonds authorized to be issued hereunder, and after the issuance of any of the bonds no change, variation, or alteration of any kind of the provisions of this ordinance shall be made in any manner except as herein provided, until such time as all of said bonds issued hereunder and the interest thereon have been paid in full.

Section 12. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provisions shall not affect any of the remaining provisions of this ordinance.

Section 13. All ordinances, resolutions and orders, or parts thereof in conflict with the provisions of this ordinance are, to the extent of such conflict, hereby repealed.

Section 14. That inasmuch as there is no newspaper published in the Town of New Haven, the Recorder is hereby directed to cause this ordinance to be posted in at least three public places in said town, together with an appropriate notice that this ordinance has been adopted; that the Town of New Haven contemplates the issuance of the bonds herein authorized, and that any person interested in the matter may appear before this Council at a public hearing to be held at _____ _____ in said town, on _____, 1963, at _____ o'clock __.M. and then and there be heard as to the matters herein provided. The posting aforesaid shall be made at least ten days prior to said hearing date.

Adopted and approved _____, 1963.

_____
Mayor

Attest:

_____
Recorder

Recorded: _____, 1963.

_____
Recorder

United States of America

27

$1000

$1000

STATE OF WEST VIRGINIA

COUNTY OF MASON

Town of New Haven

SEWER REVENUE BOND

KNOW ALL MEN BY THESE PRESENTS: That the Town of New Haven, in the County of Mason and State of West Virginia, for value received, hereby promises to pay from the special fund provided thereof as hereinafter set forth, to the bearer or, if this bond be registered as to principal, to the registered holder hereof,

ON THE FIRST DAY OF JUNE

1978

THE SUM OF

ONE THOUSAND DOLLARS ($1,000)

and from said special fund to pay pay interest on said sum from the date hereof until paid at the rate of four and one-half per cent (4½%) per annum on December 1, 1963 and semiannually thereafter on the first days of June and December in each year, except as the provisions hereinafter set forth with respect to redemption, may be and become applicable hereto, all such interest as may accrue on and prior to the maturity date hereof to be payable only upon presentation and surrender of the coupons hereto appertaining as they severally become due, both the principal of and interest on this bond being payable in lawful money of the United States of America, at the office of the State Banking Fund Commission of West Virginia in the City of Charleston, West Virginia.

This bond is one of a series of bonds numbered consecutively from 1 to 140, inclusive, issued by said town pursuant to ordinance duly enacted for the purpose of defraying the cost, not otherwise provided, of constructing improvements and extensions to its sewage system under and in full compliance with the Constitution and statutes of the State of West Virginia, including among others Article 13 of Chapter 16 of the West Virginia Code.

Bonds numbered 19 to 140, inclusive, of the series of which this bond is one shall be optional for redemption by said town prior to maturity on June 1, 1979, and on any interest payment date thereafter in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot) upon terms of par and accrued interest to the date fixed for redemption, plus a redemption premium of three per cent of the principal amount thereof, and in the event of such redemption it is hereby agreed that notice identifying the bonds to be redeemed will be given by publication at least once in a newspaper of general circulation published in the City of Charleston, West Virginia, not less than thirty days prior to such redemption date. All such bonds thus called for redemption and for the retirement of which funds are duly provided will cease to bear interest on the redemption date.

This bond and the series of which it is one, together with any additional bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions set forth in said ordinance, are payable only from and secured by net revenues to be derived from the operation of the municipal sewage system of said town, which shall be sufficient to pay the principal of and interest upon said bonds as and when the same become due and payable, and which shall be set aside as a special fund and are hereby pledged for that purpose. This bond does not constitute a corporate indebtedness of the Town of New Haven within the meaning of any constitutional or statutory provisions or limitations, nor shall said town be obligated to pay this bond or interest thereon from any other funds. Said town covenants it will fix such rates and charges for the use of and services rendered by said sewage system and will collect and account for revenues therefrom sufficient to promptly pay all expenses of operation, repair and maintenance thereof and the principal of and interest on this bond and the series of which it is one as the same will become due.

This bond is fully negotiable but may be registered as to principal only in the name of the holder on the books of said town in the office of its Recorder, such registration to be evidenced by notation on the back hereof by the Recorder, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery but it may be again registered as before. The registration of this bond as to principal shall not restrain the negotiability of the coupons by delivery merely.

This bond is exempt from taxation by the State of West Virginia and any county or municipality therein.

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 said town, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the net revenues of the sewage system of said town has been pledged to and will be set aside into said special fund by said town for the prompt payment of the principal of and interest on this bond and the series of which it is one.

IN WITNESS WHEREOF, the Town of New Haven has caused this bond to be signed by its Mayor, attested by its Recorder and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the facsimile signatures of said Mayor and Recorder, which officials by the execution of this bond do adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons, and this bond to be dated as of the first day of June, 1963.

ATTEST:

Mayor

Recorder

DATE OF REGISTRATION	IN WHOSE NAME REGISTERED	SIGNATURE OF RECORDER

REGISTRATION

No. NUMBER

27

UNITED STATES OF AMERICA

STATE OF WEST VIRGINIA

COUNTY OF MASON

Town of New Haven

4½%

SEWER REVENUE BOND

Dated June 1st, 1963

$1,000

Principal Due

June 1st, 1978

Subject to prior redemption as herein provided.

Interest Payable

June 1st and December 1st

Beginning December 1st, 1963

Principal and Interest Payable at the office of the

State Sinking Fund Commission of West Virginia

Charleston, West Virginia

STEINHAUSER INCORPORATED
CINCINNATI, OHIO

We, FRAN C. REICHERT, Mayor, and THELMA CAPEHART, Recorder, do hereby certify that we are the officers, respectively, above indicated of the Town of New Haven, in Mason County, West Virginia, and that in pursuance of law and the ordinance adopted by the Council of said Town on May 20, 1963, there have been heretofore lawfully authorized and this day by us lawfully issued, sold and delivered to Richard G. Howes & Company pursuant to the agreement approved and accepted by the Council on April 23, 1963, and paid for upon terms of not less than the statutory minimum of ninety cents on the dollar, one hundred forty negotiable Sewer Revenue Bonds of said Town, in the aggregate principal amount of $140,000, bearing date of June 1, 1963, of the denomination of $1,000, numbered 1 to 140, inclusive; bonds numbered 1 to 10, inclusive, bearing interest at the rate of 4% per annum, bonds numbered 11 to 20, inclusive, at the rate of 4-1/4% per annum, bonds numbered 21 to 30, inclusive, at the rate of 4-1/2% per annum and bonds numbered 31 to 140, inclusive, at the rate of 4-3/4% per annum; each of said bonds having been executed with the genuine signatures of said Mayor and said Recorder with the corporate seal of said Town affixed, and each of the coupons attached to each of said bonds having been executed with the facsimile signatures of said Mayor and said Recorder.

We further certify that upon the issuance, sale and delivery of said bonds, all sums received as accrued interest together with a portion of the proceeds in the amount of $13,000 have been or will be paid into the "Sewer Revenue Bond Interest and Sinking Fund", as provided by Section 5 of said ordinance, and that the balance of the proceeds from the sale of said bonds has been or will be set apart as a special fund to be applied solely for the purpose of paying the cost, not otherwise provided, of constructing the improvements and extensions to the municipal sewage system of said Town, as referred to in said ordinance, but pending expenditure for that purpose will be deposited and secured in the manner prescribed by Section 10 of said ordinance.

We further certify that no controversy or litigation is pending, prayed, or to our knowledge, threatened involving the organization, existence or boundaries of said Town or the titles of any of its officers to their respective positions, or the validity of the aforesaid revenue bonds, or the power and duty of said Town to own and operate its municipal sewage system, and to provide and apply adequate revenues therefrom for the full and prompt payment of the principal of and interest on the bonds hereinbefore described, and that none of the proceedings or authority for the issuance of said bonds has been repealed, revoked, rescinded, modified, changed or altered in any manner.

We further certify that the total amount of bonds or other obligations of said Town outstanding which by their terms are in any manner secured by or payable from any of the revenues from the municipal sewage system of said Town, is represented by the Sewer Revenue Bonds hereinbefore described.

IN WITNESS WHEREOF, we have hereunto affixed our respective official signatures and the corporate seal of said Town at New Haven, West Virginia, this _____ day of _____, 1963.

Fran C. Reichert
Mayor

Thelma Capehart
Recorder

(SEAL)

I, the undersigned, the officer of the bank indicated by my signature hereto, do hereby certify that I am personally acquainted with the persons whose signatures, each known to me to be genuine, are signed to the foregoing certificate, and that I know that the persons aforesaid are the officers of the Town named in said certificate, indicated respectively by the titles appended to their respective signatures, and that I have examined and identified each of said signatures as the genuine signatures of said officers signing the foregoing certificate.

WITNESS my official signature.

Charles L Ord
Cashier of the
Mason County Bank
New Haven, West Virginia

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

I, HOWARD M. CUNNINGHAM, Executive Secretary of the Public Service Commission of West Virginia, certify that the attached is a true and complete copy of an order entered by the Commission on July 6, 1980, Case No. 80-115-S-CN, Town of New Haven, a municipal corporation, Mason County, as the same appears on file and of record in my office.

Given under my hand and the seal of The Public Service Commission of West Virginia, at the Capitol, in the City of Charleston, this 25th day of October, 1982.

HOWARD M. CUNNINGHAM
Executive Secretary

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
2-6-86

Entered: June 16, 1980

CASE NO. 80-115-S-CN

TOWN OF NEW HAVEN, a municipal corporation, Mason County.
Application for a certificate of convenience and necessity to upgrade the sewage treatment plant from primary to secondary treatment and to construct additional sewage collection mains at New Haven, Mason County.

HEARING EXAMINER'S RECOMMENDED DECISION

PROCEDURE

On March 13, 1980, the Town of New Haven, a municipal corporation, filed a duly verified application for a certificate of convenience and necessity to upgrade its sewage treatment plant from primary to secondary treatment, to comply with Federal and State requirements, and to construct sewage collection mains at New Haven, Mason County, which will also permit treatment of the sewage of the Town of Hartford.

By order of this Commission entered April 30, 1980, this matter was set for hearing to be held in the Commission's Hearing Room at the Capitol in the City of Charleston on May 13, 1980, at 1:30 p.m., at which time and place the applicant was to appear and prosecute its application. The order further directed the applicant to cause to be published a copy of said order, at least twice before the hearing date, in a newspaper published and of general circulation in Mason County, making due return thereof to the Commission on or before the day of hearing. The order further granted leave to anyone interested to file objection to said application at any time on or before the hearing date.

The hearing was held as scheduled. The applicant appeared by its proper elected official and was represented by Ronald F. Stein, Attorney at Law. The Commission's Staff was represented by Joseph A. Mancuso, Legal Division; Thomas McKitrick, Engineering Division; and T. Max Ellis of the Division of Accounts, Finance and Rates. Due to the short period of time between the setting for hearing order and the hearing date, the certificate of publication was not tendered at the hearing. It was received as a post hearing exhibit and showed the publication requirement having been met. There were no protestants or intervenors present

at the hearing or written protests lodged in the file. Messrs. Charles H. Smith, Allen A. Van Horn, and Donald P. Krisher testified on behalf of the applicant. Testimony was taken and evidence introduced, at the close of which this matter was submitted for a recommended decision.

EVIDENCE AND FINDINGS OF FACT

The exhibits tendered and received from the applicant are as follows:

Applicants Exhibit No. 1	-	Letter dated May 13, 1980 from Water Development Authority
Applicants Exhibit No. 2	-	Agreement dated April 15, 1980 between the Town of New Haven and Appalachian Power Company
Applicants Exhibit No. 3	-	Agreement dated June 26, 1974 between the Town of New Haven and Appalachian Power Company
Applicants Exhibit No. 4	-	Letter dated May 6, 1980 from Department of Natural Resources, modification of Permit No. S-6016-77
Applicants Exhibit No. 5	-	Certificate of Approval, West Virginia Department of Health Permit #5859
Applicants Exhibit No. 6	-	Department of Highways permits/ Letter of Award of Contract II to Wilson Construction Co.
Applicants Exhibit No. 7	-	Preliminary Engineering Report
Applicants Exhibit No. 8	-	Specifications Contract No. 1
Applicants Exhibit No. 9	-	Specifications Contract No. 2
Applicants Exhibit No. 10	-	Plans for Contract No. 1 & 2
Applicants Exhibit No. 11	-	Letter dated March 26, 1980 from VTN, Inc.
Applicants Exhibit No. 12	-	Copy of telegram dated May 12, 1980 from E.P.A.
Applicants Exhibit No. 13	-	Rule 42 Exhibit
Applicants Exhibit No. 14	-	Supplemental Paper - WDA Grant

Mr. Charles H. Smith, Mayor of the Town of New Haven,was the first witness to testify. He generally stated that there was a need to provide a sewage treatment plant with secondary treatment capabilities to provide better service to the residents and to comply with new Federal Environmental Protection Regulations. (Tr., pp. 6-13). Mr. Smith testified that Appalachian Power Company's plant at New Haven will be a metered customer of the proposed system and it has agreed to grant $75,000 towards the construction costs. (Tr., pp. 10-12).

Allen A. Van Horn, Vice President and General Manager for VTN, Incorporated, testified as to the proposed system. The project consists of two (2) parts and separate contracts.

One portion, which is covered by Contract No. 2, involves the extension of the collection system. This includes approximately 4,300 lineal feet of 8 inch line, 900 lineal feet of 4 inch PVC force main, one pump station and fifteen manholes. Portions of the existing pump station will be raised above the one hundred year flood plain. This extension will add approximately thirty-seven (37) new customers to the system. (Tr., pp. 15 and 16, Applicants Exhibit Nos. 7 and 8).

The remaining portion, which is covered by Contract No. 1 is the upgrading of the existing primary sewage plant. This system will consist of a three pump pump station, leading to a grit chamber and then to primary clarifiers. From that point sewage will be pumped to an aeration basin, with contact and reaeration sections, then to final clarifiers. Before the effluent is discharged into the Ohio River it must finally pass through a chlorinated contact basin. (Tr., pp. 16 and 17, Applicants Exhibits Nos. 7 and 9). This system will have sufficient capacity to handle sewage from the Town of Hartford City, which is in the process of preparing for construction of its collection system. (Tr., p. 17).

Presently the Town of New Haven has approximately 675 residential and commercial customers. After the addition of the Town of Hartford City's 279 customers, there will be an excess capacity of 53,000 gallons per day, which should provide service for 165 future customers. (Tr., p. 18).

Mr. Van Horn also testified that proper permits have been received from the West Virginia Departments of Highways, Health and Natural Resources. (Tr., pp. 18-20, Applicants Exhibits Nos. 4, 5 and 6).

The construction costs for this project are estimated to be $298,099 for the collection system and $1,406,338 for the treatment plant or a total of $1,704,437, according to the low bids. Total costs for this project are estimated to be $2,293,068. Funds for this project will be obtained from the following sources in the following amounts:

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Environmental Protection Agency Grant	$1,509,706
Water Development Authority	
Basic Grant	$ 102,362
Hardship Grant	$ 246,691
American Electric Power Co. Grant	$ 75,000
Local Share: Revenue Bonds	$ 359,309
	$2,293,068

(Tr., pp. 23, 25, 26, 28, 34 and 36, Applicant Exhibit Nos. 13 and 14, Staff Memorandum dated April 2, 1980).

It appears that the average bill will be $20.02 per month. (Staff Accounting Memorandum dated April 2, 1980). According to Mr. Don Krisher's testimony, the rates that the Town of New Haven will charge should provide 159% coverage of the debt service requirement and provide an annual surplus of $18,559. (Tr., p. 35, Applicants Exhibit No. 13).

FINDINGS OF FACT
AND CONCLUSIONS OF LAW

The Hearing Examiner is of opinion and finds:

1) That public convenience and necessity require that a certificate of convenience and necessity to construct, operate and maintain a sanitary sewage collection and disposal system be granted to the applicant, Town of New Haven.

2) That the accounting exhibits submitted, as well as the rates proposed by the applicant indicate that the project is financially feasible.

3) That the financing arrangements of the applicant are reasonable and should be approved.

ORDER

IT IS, THEREFORE, ORDERED that:

1. The applicant, Town of New Haven, a public utility, is hereby granted a certificate of convenience and necessity to construct, operate and maintain a sewer collection and treatment facility at New Haven and in Mason County, West Virginia.

2. The financing arrangements of the applicant are reasonable and are approved.

3. The Town of New Haven shall file with the Commission a proper tariff setting forth the rates, charges, rules and regulations.

The Executive Secretary is hereby ordered to serve a copy of this recommended 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 a Hearing Examiner's Recommended 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 Hearing Examiner's Recommended Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Mark T. Aliff
Hearing Examiner

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

I, HOWARD M. CUNNINGHAM, Executive Secretary of the Public Service Commission of West Virginia, certify that the the attached is a true and complete copy of the tariff on file with the Commission, issued March 11, 1980, Effective November 19, 1981, Town of New Haven, a municipal corporation, as the same appears on file and of record in my office.

Given under my hand and the seal of The Public Service Commission of West Virginia, at the Capitol, in the City of Charleston, this 25th day of October, 1982.

Howard M. Cunningham

HOWARD M. CUNNINGHAM
Executive Secretary

COPY

P. S. C. W. Va. No. 3

Cancels P. S. C. W. Va. No. 2

TOWN OF NEW HAVEN, a municipal corporation

OF

New Haven, West Virginia

Rates, Rules and Regulations for Furnishing

SEWERAGE AND SEWAGE DISPOSAL SERVICE

AT

New Haven and Vicinity, Mason County, West Virginia.

PUBLIC SERVICE COMMISSION
OF W. VA TARIFF OFFICE
NOV 19 1981
RECEIVED

Filed with THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Issued March 11, 1980 Effective November 19, 1981

Passed by Town Council.

Issued by Town of New Haven
(Name of Utility)

By Grayson Williamson
Mayor

RULES AND REGULATIONS

I. Rules and Regulations for the Government of Sewerage Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

RATES

The Council of the Town of New Haven, Mason County, West Virginia hereby adopts the following schedule of tariff rates for the Municipal Sewer System of the Town of New Haven, West Virginia:

First	2,000	gallons per mo.	$ 4.75
Next	3,000	gallons per mo.	4.00
Next	5,000	gallons per mo.	3.25
Next	10,000	gallons per mo.	2.45
Next	30,000	gallons per mo.	2.30
All over	50,000	gallons per mo.	2.30

MINIMUM CHARGE: The above schedule is subject to a minimum monthly charge of $9.50

DELAYED PAYMENT PENALTY: The above schedule is net. All accounts not paid in full within 20 days of the date of the bill shall be charged a delayed payment penalty in the amount of ten per cent (10%) of the above net amounts.

AN ORDINANCE TO AMEND AND INCREASE
THE TARIFF RATES FOR THE MUNICIPAL
SEWER SYSTEM OF THE TOWN OF
NEW HAVEN, MASON COUNTY, WEST VIRGINIA

At the regular meeting of the Council of the Town of New Haven, Mason County, West Virginia, held on the 11th day of March 1980, a quorum being present and at least three-fourths of the Council voting therefore, the following ordinance was adopted.

BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF
NEW HAVEN, MASON COUNTY, WEST VIRGINIA:

ARTICLE I

FINDINGS

It is hereby ascertained and declared that:

A. The Town of New Haven, Mason County, West Virginia, (hereinafter sometimes referred to as "Town") now owns and operates a Sewer System for the collection and disposal of sewage.

B. It is necessary and essential to construct and acquire additions, extensions and improvements to said Sewer System as provided herein, in order to preserve the public health and safety of the citizens in and around the Town of New Haven, Mason County, West Virginia, and to upgrade the existing Sewage Treatment Plant from primary to secondary treatment to comply with federal and state law.

C. The engineering firm of VTN has designed the necessary additions, extensions and improvements to the said Sewer System and Sewage Treatment Plant to provide for the preservation of the public health and safety of the citizens in and around the Town of New Haven, Mason County, West Virginia, and to comply with federal and state law.

SHAW & STEIN
ATTORNEYS AT LAW
POINT PLEASANT, W. VA.

D. It is estimated that the proposed additions, extension and improvements to the said Sewer System and Sewage Treatment Plant will cost Two Million Five Hundred Three Thousand Two Hundred Ninety Six Dollars ($2,503,296.00), and further, that it is the best interests of the citizens and residents of said Town and the subscribers or customers of said Sewer System to finance said cost by the issuance of bonds and/or the application for loans and/or grants from West Virginia Water Development Authority, Environmental Protection Agency, Appalachian Power Company, and any other governmental agency or source of financing.

E. The estimated cost of the proposed additions, extensions and improvements to the said Sewer System and Sewage Treatment Plant cannot be wholly financed through the use of grants and a certain amount of indebtedness must therefore be incurred.

F. It is necessary and essential to increase the tariff rates for the Municipal Sewer System of the said Town of New Haven, West Virginia, in order to service and amortize the indebtedness to be incurred for the acquisition of the said additions, extensions and improvements.

ARTICLE II

RATES

The Council of the Town of New Haven, Mason County, West Virgin hereby adopts the following schedule of tariff rates for the Municipal Sewer System of the Town of New Haven, West Virginia:

First	2,000	gallons per mo.	$ 4.75
Next	3,000	gallons per mo.	4.00
Next	5,000	gallons per mo.	3.25
Next	10,000	gallons per mo.	2.45
Next	30,000	gallons per mo.	2.30
All over	50,000	gallons per mo.	2.30

MINIMUM CHARGE: The above schedule is subject to a minimum monthly charge of $9.50

DELAYED PAYMENT PENALTY: The above schedule is net. All accounts not paid in full within 20 days of the date of the bill shall be charged a delayed payment penalty in the amount of ten per cent (10%) of the above net amounts.

ARTICLE III

PUBLICATION, EFFECTIVE DATE, SEVERABILITY, REPEAL

A. Publication: The Town Recorder is hereby authorized and directed to publish this ordinance in compliance with the laws of the State of West Virginia togethr with a notice that any person interested may appear before the Town Council, in the Council Chambers, in the City Building of said Town, upon a date and at a time, as provided in said notice, and present such protest or protests as to such person or persons may seem proper.

B. EFFECTIVE DATE: The tariff rates adopted by this ordinance shall become effective upon the substantial completion and availability for service of the additions, extensions and improvements to the said Sewer System and Sewage Treatment Plant, which is expected to be completed by early Fall of 1981.

C. SEVERABILITY: If any section, paragraph, clause or provision of this ordinance shall be held invalidity shall not affect any of the remaining provisions of this ordinance.

D. REPEAL: All ordinances, resolutions and orders, or parts thereof, in conflict with this ordinance are to the extent of such conflict repealed.

Read the first time on the 11th day of March, 1980.

Charles H. Smith
MAYOR

Read the second time on the 25th day of March, 1980 and passed and adopted on said date by a vote of 5 yea.

Charles H. Smith
MAYOR

TESTE:

[illegible]
RECORDER

SHAW & STEIN
ATTORNEYS AT LAW
POINT PLEASANT, W. VA.

THIS AGREEMENT, made this the 6th day of March, 1981, by and between the Town of New Haven, Mason County, West Virginia, a municipal corporation, and the Town of Hartford, Mason County, West Virginia, a municipal corporation,

WHEREAS, the said Town of New Haven is constructing an upgraded sewer collection system and an upgraded sewage treatment plant, and

WHEREAS, the said Town of Hartford is presently preparing to construct a sewage collection system, and

WHEREAS, both municipalties intend to finance a portion of their project with grant funds from the Environmental Protection Agency, and

WHEREAS, the said Environmental Protection Agency has required that both projects be coordinated so that the sewer plant of New Haven shall contain sufficient capacity to treat the sewage waste of the Town of Hartford and the said Town of Hartford shall construct a collection system that connects to the treatment plant of the said Town of New Haven, and

WHEREAS, the said municipalties desire to develop a plan of equitable compensation to be paid by the Town of Hartford unto the Town of New Haven for the treatment of sewage,

NOW, THEREFORE, WITNESSETH that for and in consideration of the mutual covenants contained herein the said Town of New Haven and the said Town of Hartford agree as follows:

1. That the said Town of New Haven shall preserve 17% of the capacity of their sewage treatment plant for the treatment of sewage from the said Town of Hartford and shall treat such sewage.

2. The said Town of Hartford shall pay unto the said Town of New Haven the sum of Sixty-Seven Thousand Eight Hundred Thirty Dollars, ($67,830.00) said payment to be made at the time that

AW & STEIN
RNEYS AT LAW
LEASANT, W. VA

the said Town of Hartford delivers the first flow of sewage for treatment to the New Haven system. This one-time payment of $67,830.00 shall be payment in full of the Town of Hartford's equitable share of the sum of the following fixed costs:

(a) The outstanding bonds of the Town of New Haven for the construction of the primary treatment plant.

(b) The bonds of the Town of Hew Haven required for the construction of the secondary treatment plant.

(c) The cost of constructing lines and pumps in the New Haven system that are necessary to transport the flow of sewage from the Hartford system to the location of the treatment plant.

(d) The cost of constructing the secondary treatment plant in New Haven, West Virginia.

3. The said Town of Hartford shall also pay unto the said Town of New Haven a fee for the transportation and treatment of Hartford's sewage in the New Haven collection system and treatment plant. It is anticipated that the cost of this transportation and treatment will be $12,238.00 per year and shall be payable by the said Town of Hartford to the said Town of New Haven on a monthly basis. The total annual cost paid by Hartford to the Town of New Haven shall be based upon the operation and maintenance costs of the New Haven treatment plant and the amount representing the Town of Hartford's proportionate share of the actual cost shall be adjusted on a yearly basis according to the actual wastewater contribution by the Town of Hartford to the New Haven system. The said Town of New Haven shall install a flow meter at the point where the Town of Hartford's pipeline connects to the New Haven system for the purpose of monitoring the actual wastewater contribution to the New Haven Treatment Plant by the Hartford collection system. It is understood and agreed that each municipality shall pay 12½% of the cost of said flow meter, the balance being an eligible cost under the EPA grants.

SHAW & STEIN
ATTORNEYS AT LAW
PT PLEASANT W VA

4. The term of this agreement shall be for one fiscal year following the time that the said Town of Hartford delivers the first flow of sewage for treatment to the New Haven system and this agreement shall be renegotiated on or before the 1st day of September, following the closing of municipal books on June 30, with regard to the consideration or fee referred to in paragraph number 3 above, said yearly renegotiation to be done for a period of forty (40) years. In the event that new rates, fees or consideration is required as a result of such yearly renegotiation then such new rates, fees or consideration shall take effect on the 1st day of February following such renegotiation provided however, that such rates, fees or consideration shall not be amended or changed unless the proposed change exceeds 5% of the existing rate, fee or consideration.

WITness the following signatures and seals:

TOWN OF NEW HAVEN, WEST VIRGINIA

By: _____
Its Mayor

(SEAL)

TESTE:

_____
Recorder

TOWN OF HARTFORD, WEST VIRGINIA

By: _____
Its Mayor

(SEAL)

TESTE:

_____
Recorder

AW & STEIN
RNEYS AT LAW
LEASANT, W. VA

SHAW & STEIN
ATTORNEYS AT LAW
610 MAIN STREET
POINT PLEASANT, WEST VIRGINIA 25550

R. MICHAEL SHAW
RONALD F. STEIN

TELEPHONE 675-2669
AREA CODE 304

October 26, 1982

Taunja Willis Miller
Jackson, Kelly, Holt and O'Farrell
Attorneys at Law
P. O. Box 553
Charleston, West Virginia 25322

Re: $295,000 Subordinate Sewer Revenue Bonds, Series 1982 and $89,500 Supplemental Subordinate Sewer Revenue Bonds, Series 1982

Dear Ms. Miller:

Please be advised that as legal counsel for the Town of New Haven, Mason County, West Virginia, and also as legal counsel for the Town of Hartford, Mason County, West Virginia, I was instrumental in preparing and negotiating an agreement between the two towns to provide for sewer treatment of sewage from the Town of Hartford to be treated at a facility located in New Haven.

I was present at the counsel meeting of both municipalities when the agreement was presented to the respective town counsels, and both counsels ratified and approved the agreement and authorized their respective mayors and recorders to sign the document, all of which was done in accordance with the law.

Yours very truly,

SHAW & STEIN

Ronald F. Stein

Ronald F. Stein

RFS/tsw

cc: Mayor Grayson Williamson
Town of New Haven
New Haven, WV 25265

Mayor Charles Black
Town of Hartford
Hartford, WV 25247

CERTIFICATE OF RECORDER AS TO TRUTH AND ACCURACY
OF DOCUMENTS DELIVERED PRIOR TO CLOSING

I, the undersigned Connie R. Ball, Recorder of the Town of New Haven, West Virginia (the "Town"), hereby certify that the copies of the following documents delivered prior to the closing of the sale of $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (collectively, the "Bonds"), of the Town are in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, recission, supersedence, amendment or modification is also listed below or is delivered in connection with the closing of the sale of the Bonds:

1. The oath of office of Charles H. Smith, dated July 1, 1978.

2. The oath of office of Wendy L. Divers, dated July 1, 1978.

3. The oaths of office of D. Jones, Virgil M. Weaver, James MacKnight, Jeffrey A. Mankin, Michael E. Fields and Patrick L. Fields, dated July 1, 1978.

4. The oath of office of Grayson Williamson, dated July 1, 1980.

5. The oath of office of Wendy L. Divers, dated July 1, 1980.

6. The oaths of office of Frank Young, Jr., Frances Taylor, Sarah L. Gibbs, James MacKnight and Michael E. Fields, dated July 1, 1980.

7. Copy of minutes of the June 17, 1980, Council meeting.

8. Copy of minutes of the June 24, 1980, Council meeting.

9. Copy of the ordinance entitled "An Ordinance placing the custody, administration, operation and maintenance of the sewerage system of the Town of New Haven, West Virginia, under the supervision and control of a sanitary

board; creating such sanitary board of the Town; providing for the terms of office of and compensation for the members of such sanitary board; appointing the original members of such sanitary board; and making other provisions with regard to such sanitary board," passed by the Council on June 24, 1980.

10. Copy of minutes of the July 1, 1980, Council meeting.

11. Copy of the Petition of the Sanitary Board to the Council of the Town of New Haven, West Virginia, dated July 1, 1980.

12. Copy of minutes of the July 8, 1980, Council meeting.

13. Copy of minutes of the July 22, 1980, Council meeting.

14. Copy of the resolution entitled "A Resolution amending an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto' with respect to publication of the ordinance and the date of the public hearing thereon," adopted by the Council on July 22, 1980.

15. Copy of minutes of the August 4, 1980, Council meeting.

16. Copy of the resolution entitled "A Resolution finding that the Council of the Town of New Haven adopted an Ordinance on July 8, 1980, which approved the financing of certain additions, betterments and improvements to the sewer system of said Town through the issuance of $451,000 in aggregate principal amount of Sewer System Bond Anticipation

Notes, Series 1980, to be refunded with certain Subordinate Sewer Revenue Bonds of the Town, all as more fully set out therein; finding that the Ordinance was duly published, along with a notice of the adoption thereof, which notice provided that the Town contemplated the issuance of the Sewer System Bond Anticipation Notes and Subordinate Sewer Revenue Bonds described in the said Ordinance and that any person interested might appear before Council at a specified time and place and present protest or protests; finding that Council met and heard all parties and interests as to whether the Ordinance should be put into effect; and determining that such Ordinance, as adopted, should be put into effect and that the Bond Anticipation Notes and, subsequently, the Subordinate Sewer Revenue Bonds contemplated thereunder should be issued," adopted by the Council on August 4, 1980.

17. Copy of the resolution entitled "A Resolution supplementing an Ordinance passed by the Council of the Town of New Haven, West Virginia, on July 8, 1980, entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' to set forth certain details with respect to the terms and conditions of said Bond Anticipation Notes," adopted by the Council on August 4, 1980.

18. Copy of the Grant Amendment, dated June 24, 1980, between the United States Environmental Protection Agency and the Town.

19. Basic Grant Agreement, dated June 13, 1980, between the West Virginia Water Development Authority (the "Authority") and the Town.

20. Hardship Grant Agreement, dated June 13, 1980, between the Authority and the Town.

21. Agreement, dated June 26, 1974, between the Appalachian Power Company and the Town.

22. Agreement, dated April 15, 1980, between the Appalachian Power Company and the Town.

23. Letter, dated June 13, 1980, from the Authority to the Town.

WITNESS my signature and the seal of the Town of New Haven, West Virginia, this 27th day of October, 1982.

Connie L. Ball
Recorder, Town of New Haven

[SEAL]

CERTIFICATE OF RECORDER AS TO
TRUTH AND ACCURACY OF DOCUMENTS DELIVERED

I, the undersigned Connie R. Ball, Recorder of the Town of New Haven, West Virginia (the "Town"), hereby certify that the copies of the following documents delivered in connection with the closing of the sale of $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, of the Town are true and accurate copies of the originals of those documents maintained on file in my office; that all of the documents have been duly approved and authorized by the Council of the Town; and that said documents are in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, recission, supersedence, amendment or modification is also listed below or in the Certificate of Secretary as to Truth and Accuracy of Documents Delivered Prior to Closing, dated October 27, 1982, delivered herewith:

1. Oath of office of Harry Hoffman, dated June 8, 1981.

2. Oath of office of Grayson Williamson, dated July 1, 1982.

3. Oath of office of Connie R. Ball, dated July 1, 1982.

4. Oaths of office of Sarah Gibbs, Jack Hesson, Harry Hoffman, Frances Taylor and Ronnie Zerkle, dated July 1, 1982.

5. Copy of the ordinance entitled "An Ordinance to amend and increase the tariff rates for the municipal sewer system of the Town of New Haven, Mason County, West Virginia", passed by the Council on March 11, 1980.

6. Copy of the agreement, dated March 5, 1981, between the Town and the Town of Hartford, West Virginia.

7. Copy of the ordinance entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," passed by the Council on July 8, 1980.

8. Copy of the resolution entitled "A Resolution supplementing and amending an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, and as supplemented on August 4, 1980; authorizing the renewal of $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980, of the Town of New Haven by the issuance by said Town in exchange therefor of $451,000 in principal amount of a Sewer System Bond Anticipation Renewal Note, 1980 Series A; and providing for the issuance by said Town of certain additional notes, on a parity with said Sewer System Bond Anticipation Renewal Note, 1980 Series A, to satisfy the interest coming due thereon," adopted by the Council on July 28, 1981.

9. Copy of the resolution entitled "A Resolution supplementing an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as further supplemented and amended on July 28, 1981, and accepting said Water Development Authority's extension of the stated maturity date of said Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A, from May 31, 1981 [sic], to November 30, 1982,' adopted by the Council on June 8, 1982.

10. Copy of the resolution entitled "A Resolution supplementing and amending an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, as further supplemented and amended on July 28, 1981, and as further supplemented on June 8, 1982, and approving the form and execution of a loan agreement with

the West Virginia Water Development Authority, which loan agreement supersedes the loan agreement dated August 11, 1980, with said Water Development Authority," adopted by the Council on June 8, 1982.

11. Copy of the resolution entitled "A Resolution supplementing an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, as further supplemented and amended on July 28, 1981, and on June 8, 1982, and approving Schedule X to the Loan Agreement, dated as of June 8, 1982, between said Town and the West Virginia Water Development Authority," adopted by the Council on June 14, 1982.

12. Copy of minutes of the August 30, 1982, Council meeting.

13. Copy of minutes of the September 13, 1982, Council meeting.

14. Copy of the ordinance entitled "An Ordinance amending and supplementing an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate

Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of the Town of New Haven on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982; authorizing the issuance of said Subordinate Sewer Revenue Bonds as Subordinate Sewer Revenue Bonds, designated Series 1982, in the aggregate principal amount of $295,000, and Supplemental Subordinate Sewer Revenue Bonds, designated Series 1982, in the aggregate principal amount of $89,500; directing the sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to the West Virginia Water Development Authority pursuant to the terms of a loan agreement, dated June 8, 1982, between said Water Development Authority and the Town of New Haven; setting forth certain terms and conditions of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in accordance with said Loan Agreement; and providing for certain other matters in connection with the authorization, issuance and sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, all in accordance with said Loan Agreement," passed by the Council on September 13, 1982.

15. Copy of the resolution entitled "A Resolution finding that an ordinance was adopted by the Council of the Town of New Haven, West Virginia, on September 13, 1982, amending and supplementing an ordinance enacted by the Council of said Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982, which original ordinance authorized the construction and acquisition of certain extensions, improvements and betterments to the municipal sewage system of the Town of New Haven and the financing of the cost, not otherwise provided, thereof through the issuance by said Town of $451,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, and the renewal thereof, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes as renewed, authorizing the issuance of said Subordinate Sewer Revenue

Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to refund a portion of such Sewer System Bond Anticipation Notes as renewed, directing the sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to the West Virginia Water Development Authority pursuant to the terms of a loan agreement, dated June 8, 1982, between said Water Development Authority and the Town of New Haven and setting forth certain terms and conditions of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in accordance with said loan agreement, all as more fully set out in said amendatory and supplemental ordinance; finding that an abstract of said amendatory and supplemental ordinance, together with a notice that said amendatory and supplemental ordinance has been adopted, that the Town of New Haven contemplates the issuance of the Subordinate Sewer Revenue Bonds, Series 1982, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1982, described in said original ordinance as amended and supplemented by said amendatory and supplemental ordinance and that any person interested may appear before the Council of the Town of New Haven upon a certain date and present protests, must be published; reviewing the abstract prepared by the Town Recorder and determining that such abstract contains sufficient information as to give notice of the contents of said amendatory and supplemental ordinance; and directing the publication of such abstract, together with said notice," adopted by the Council on September 13, 1982.

16. Copy of minutes of the October 11, 1982, Council meeting.

17. Copy of the resolution entitled "A Resolution finding that the Council of the Town of New Haven, West Virginia, adopted an ordinance on September 13, 1982, amending and supplementing an ordinance enacted by the Council of said Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982, which original ordinance authorized the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven and the financing of the cost, not otherwise provided, thereof through the issuance by said Town of $451,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, and the renewal

thereof, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes as renewed, authorizing the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to refund a portion of such Sewer System Bond Anticipation Notes as renewed, directing the sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to the West Virginia Water Development Authority pursuant to the terms of a loan agreement, dated June 8, 1982, between said Water Development Authority and the Town of New Haven and setting forth certain terms and conditions of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in accordance with said loan agreement, all as more fully set out in said amendatory and supplemental ordinance; finding that the Council of the Town of New Haven adopted a resolution on September 13, 1982, directing that an abstract of said amendatory and supplemental ordinance, together with a notice that said amendatory and supplemental ordinance has been adopted, that the Town of New Haven contemplates the issuance of the Subordinate Sewer Revenue Bonds, Series 1982, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1982, described in said original ordinance as amended and supplemented by said amendatory and supplemental ordinance and that any person interested may appear before the Council of the Town of New Haven upon a certain date and present protests, be published; finding that said abstract and notice have been duly published; finding that the Council of the Town of New Haven met and heard all objections and suggestions regarding whether said amendatory and supplemental ordinance should be put into effect; and ordering that said amendatory and supplemental ordinance be put into effect and the Subordinate Sewer Revenue Bonds, Series 1982, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1982, contemplated under said original ordinance as amended and supplemented by said amendatory and supplemental ordinance be issued," adopted by the Council on October 11, 1982.

18. A copy of the resolution entitled "A Resolution supplementing an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000

in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of the Town of New Haven on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, and further amended and supplemented thereby on September 13, 1982; and providing for the date of initial deposits into the Sinking Fund on account of interest," adopted by the Council on October 25, 1982.

19. Copy of the loan agreement, dated June 8, 1982, between the District and the Authority.

WITNESS my signature and the seal of the Town of New Haven, West Virginia, this 27th day of October, 1982.

Connie R. Ball
Recorder, Town of New Haven

[SEAL]

ORDINANCE

Introduced in Council

July 1, 1980

Introduced by

Frank Young Jr.

Passed by Council

July 9, 1980

An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto.

Be It Ordained by the Council of the Town of New Haven, West Virginia:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority of this Ordinance. This Ordinance is enacted pursuant to the provisions of Article 13 of Chapter 16 of the Code of West Virginia of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. The Town of New Haven, West Virginia (the "Town"), now owns a sewage system (the "System") for the collection and disposal of sewage, the custody, administration, operation and maintenance of which System, both within and without the corporate limits of the Town, is under the supervision and control of The Sanitary Board of the Town (the "Sanitary Board").

B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the Town that there be constructed certain additions, betterments and improvements to the System (the "Project") at an estimated cost of $2,325,197 in accordance with the plans and specifications prepared by VTN, Inc., Consulting Engineers, Charleston, West Virginia, which plans and specifications have heretofore been filed in the office of the Town Recorder.

C. The Sanitary Board has filed a petition with the Council of the Town, which petition requests that Council enact an ordinance that shall, among other things, provide for the issuance of Sewer System Bond Anticipation Notes of the Town to finance the cost of construction and acquisition of the Project and of Subordinate Sewer Revenue Bonds to refund said Sewer System Bond Anticipation Notes.

D. The Sewer System Bond Anticipation Notes and Subordinate Sewer Revenue Bonds issued pursuant to this Ordinance are junior, subordinate and inferior as to source of payment and security and in all other respects to the Town's Sewer Revenue Bonds, issued in the aggregate principal amount of $140,000, certain of which Prior Bonds are dated June 1, 1983 (the "Prior Bonds"), outstanding on the date of enactment of this Ordinance; provided, however, that the holder or holders of the Sewer System Bond Anticipation Notes shall have a first lien on the proceeds of the Subordinate Sewer Revenue Bonds to be issued pursuant to this Ordinance. Additional bonds on a parity with the Subordinate Sewer Revenue Bonds may be issued upon compliance with the terms and conditions of this Ordinance, but no further obligations having priority over the Sewer System Bond Anticipation Notes or Subordinate Sewer Revenue Bonds may henceforth be issued by the Town.

The estimated revenues to be derived in each year after the adoption of this Ordinance from the operation of said System will be sufficient to pay all costs of the operation and maintenance of said System, the principal of

and interest on the Prior Bonds and the Subordinate Sewer Revenue Bonds authorized to be issued pursuant to this Ordinance and all Sinking Fund, Reserve Account and other payments provided for in this Ordinance and in the ordinance authorizing the issuance of the Prior Bonds (the "Prior Ordinance").

E. It is deemed necessary for the Town to issue its Sewer System Bond Anticipation Notes in the principal amount of not more than $451,000 to finance costs of the construction and acquisition of the Project. Said costs shall be deemed to include the cost of the acquisition of any real property involved; the cost of the construction of said additions, betterments and improvements to the System and any other expenses necessary, incidental, desirable or appurtenant to the acquisition and construction of such additions, betterments and improvements to the System; interest on the Sewer System Bond Anticipation Notes authorized to be issued pursuant to this Ordinance until the scheduled maturity thereof, which maturity date is not more than six months after the estimated date of completion of the Project and interest on the Subordinate Sewer Revenue Bonds authorized to be issued pursuant to this Ordinance prior to, during and for six months after completion of the Project; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; expenses for fiscal or other agents in connection with the issuance of the Sewer System Bond Anticipation Notes and the Subordinate Sewer Revenue Bonds authorized to be issued pursuant to this Ordinance; commitment fees to the West Virginia Water Development Authority and such other expenses as may be necessary or desirable to aid the construction and acquisition of the Project and the financing authorized by this Ordinance.

F. It is deemed necessary for the Town to issue its Subordinate Sewer Revenue Bonds in a principal amount to be hereafter determined by an ordinance or resolution supplemental hereto for the purpose of refunding the Sewer System Bond Anticipation Notes of the Town.

G. It is in the best interests of the Town that its Sewer System Bond Anticipation Notes and its Subordinate Sewer Revenue Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into between the Town and the Authority (the form of which agreement is attached to this Ordinance as Exhibit A, which

Exhibit, by this reference, is incorporated herein and made a part hereof) (the "Loan Agreement").

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Sewer System Bond Anticipation Notes and the Subordinate Sewer Revenue Bonds authorized to be issued hereunder by those who shall respectively hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Town and such Noteholders or Bondholders, and the covenants and agreements herein set forth to be performed by said Town shall be for the equal benefit, protection and security of the legal holders of any and all of such Sewer System Bond Anticipation Notes or Subordinate Sewer Revenue Bonds, as the case may be, issued hereunder, and the coupons attached thereto, all of which shall respectively be of equal rank and without preference, priority or distinction between any one Sewer System Bond Anticipation Note and the coupons thereon and any other Sewer System Bond Anticipation Notes and the coupons thereon and between any one Subordinate Sewer Revenue Bond and the coupons thereon and any other Subordinate Sewer Revenue Bonds and the coupons thereon 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 in this Ordinance unless the context expressly requires otherwise:

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

B. "Authority" shall mean the West Virginia Water Development Authority, which shall be the original purchaser of the Sewer System Bond Anticipation Notes and the Subordinate Sewer Revenue Bonds originally authorized to be issued hereunder, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

C. "Bonds" shall mean the Subordinate Sewer Revenue Bonds, in amount and having such other details as shall hereafter be determined by a supplemental ordinance or resolution of the Town, originally authorized to be issued pursuant to this Ordinance, and any pari passu additional

bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance, and the interest coupons to said Bonds.

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

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

F. "Consulting Engineers" shall mean VTN, Inc., consulting engineers, Charleston, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Town as Consulting Engineers for the System.

G. "Cost of Works" shall mean those costs described in Section 1.02(E) hereof to be a part of the cost of construction and acquisition of the Project.

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

I. "Gross Revenues" shall mean all rates, rents, fees, charges or other income (including, without limitation, sale proceeds) received by or accrued to the Town from the operation of the System, as calculated in accordance with generally accepted accounting practices.

J. "Independent Certified Public Accountants" shall mean Krisher & Krisher, certified public accountants, Charleston, West Virginia, or any other certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Town 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.

K. "Loan Agreement" shall mean the loan agreement to be entered into between the Town and the Authority, the form of which is attached as Exhibit A hereto and incorporated by reference herein.

L. "Notes" shall mean the not in excess of $451,000 Sewer System Bond Anticipation Notes, Series 1980, originally authorized to be issued pursuant to this Ordinance.

M. "Noteholder" or "Holder of the Notes" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Note or Notes registered to bearer or not registered, or the registered owner of any outstanding Note or Notes which shall at the time be registered other than to the bearer, or the bearer or owner of any coupons representing interest accrued or to accrue on said Notes.

N. "Operating Expenses," unless qualified, shall mean the current expenses, paid or accrued, of repair, operation and maintenance of the System and includes, without limiting the generality of the foregoing, insurance premiums, supplies, labor, wages, the cost of materials and supplies used for current operations, administrative expenses of the Town or the Sanitary Board relating and chargeable to the System and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting practices.

O. "Prior Bonds" shall mean the Sewer Revenue Bonds, issued in the aggregate principal amount of $140,000, certain of which Prior Bonds are outstanding on the date of dated June 1, 1963, of the Town enactment of this Ordinance, to which the Notes (except with respect to the lien on the proceeds of the Bonds originally issued pursuant to this Ordinance) and the Bonds are junior, subordinate and inferior.

P. "Prior Ordinance" shall mean the ordinance enacted by the Council of the Town on May 20, 1963, authorizing the Prior Bonds.

Q. "Project" shall mean the additions, betterments and improvements, described in Exhibit B attached hereto, to the existing sewage system of the Town.

R. "Sanitary Board" shall mean The Sanitary Board of the Town of New Haven, West Virginia, as created and

appointed by ordinance heretofore enacted by the Council of the Town on June 24, 1980, pursuant to the provisions of the Act, and shall include the membership of the Sanitary Board as presently constituted and as may hereafter be duly constituted as the legal successors to the present membership, or any other agency or department or instrumentality of the Town which shall at any time have jurisdiction, possession or control of the System or the management and operation thereof.

S. "Supplemental Resolution" shall mean any ordinance or resolution which is amendatory or supplementary hereto.

T. "System" shall mean the complete existing sewage system and wcrks now owned by the Town for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereafter constructed or acquired for said sewage system from any sources whatsoever, both within and without said Town.

U. "Town" shall mean the Town of New Haven, a municipal corporation of the State of West Virginia, and, where appropriate, the Town Council and/or Sanitary Board of the Town.

V. Additional terms and phrases are defined in this Ordinance as they are used.

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

ARTICLE II

AUTHORIZATION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SYSTEM

Section 2.01. Authorization of Additions, Betterments and Improvements. There is hereby authorized the construction and acquisition of additions, betterments and improvements to said System described in Exhibit B hereto, plans and specifications for which have been prepared by the Consulting Engineers and heretofore filed in the office of the Town Recorder.

The proceeds of the Notes hereby authorized shall be applied as provided in Article VIII of this Ordinance.

ARTICLE III

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

3.01. Authorization and Terms of Bonds. For the purpose of refunding the Notes (and paying certain costs of issuance and related costs, and for such other purposes set forth in the Supplemental Resolution), there shall be issued negotiable Subordinate Sewer Revenue Bonds of the Town, in the aggregate principal amount, bearing interest at such rate or rates, not exceeding ten percent (10%) per annum, payable semi-annually on such dates, and maturing on such dates and in such amounts, all as the Town shall prescribe in the Supplemental Resolution. The Bonds shall be payable as to both principal and interest at the office of the Commission or through a paying agent or agents selected by the original purchaser or purchasers thereof, in any coin or currency that is legal tender for the payment of public or private debts under the laws of the United States of America, and shall be redeemable, in whole or in part, as set forth in the Supplemental Resolution.

The Bonds originally issued pursuant to this Ordinance shall be issued in the form of one coupon Bond, registrable as to principal only. The Bond shall be in the denomination representing the aggregate principal of the Bond issue and shall mature in principal installments, all as provided in the Supplemental Resolution. Said Bond is exchangeable at the option and expense of the Holder for coupon bonds in the denomination of $5,000 each, in aggregate principal amount equal to the amount of said Bond then outstanding with appropriate interest coupons for interest due and unpaid or to come due attached, with maturities corresponding to the dates of payment of principal installments of said Bond. Subsequent series of Bonds may be issued as coupon Bonds, registrable as to principal only, in the denomination of $5,000 each. The Bonds shall be dated as of the date which is six months preceding the first interest payment date. The Bonds shall bear interest from their date, payable in accordance with, and upon surrender of, the appurtenant interest coupons as they severally mature.

Except as otherwise provided in Section 3.04, before the delivery of any Bonds, all matured coupons thereto attached, except matured coupons for which payment in full has not been provided, shall be cut off, cancelled and destroyed.

Section 3.02. Execution of Bonds and Coupons. Said Bonds shall be executed in the name of the Town by the Mayor, and the seal of the Town shall be affixed thereto and attested by the Town Recorder. 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 Town 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 Town by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Town although at the date of such Bonds such person may not have held such office or may not have been so authorized.

The coupons to be attached to the Bonds shall be authenticated with the manual or facsimile signature of the present or future Mayor and Town Recorder of the Town, provided, that at least one such signature must be manual, and the Town may, but is not required to, adopt and use for this purpose a facsimile seal.

Section 3.03. Negotiability, Transfer and Registration. The Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds or the coupons appertaining thereto, 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 in the manner provided hereinafter in the form of said Bonds.

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

Section 3.04. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Town may in its discretion issue and deliver a new Bond with all unmatured coupons, if any, so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond, and attached coupons, if any, or in lieu of and substitution for the Bond and coupons, if any, destroyed, stolen or lost and upon the Holder's furnishing the Town proof of his or her ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Town may prescribe and paying such expenses as the Town may incur. All Bonds and coupons so surrendered shall be cancelled by the Town Recorder and held for the account of the Town. If such Bond or coupons shall have matured or be about to mature, instead of issuing a substitute Bond or coupon, the Town may pay the same, upon being indemnified as aforesaid, and if such Bond or coupons be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Bond and coupons issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Town, whether or not the lost, stolen or destroyed Bond or coupons be at any time found by any one, and such duplicate Bond and coupons shall

be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the revenues pledged herein with all other Bonds and coupons issued hereunder.

Section 3.05. Form of Bonds and Coupons. The text of the Bonds originally issued pursuant to this Ordinance, and of the coupons, shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance, the Supplemental Resolution or any subsequent resolution or ordinance adopted prior to the issuance thereof.

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SUBORDINATE SEWER REVENUE BOND, SERIES 19___

No._____

KNOW ALL MEN BY THESE PRESENTS: That THE TOWN OF NEW HAVEN, a municipal corporation, organized and existing under the laws of the State of West Virginia (the "Town"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the bearer or, if this Bond be registered as to principal to the registered holder hereof, on the first day of _____, of the years and in the principal installments specified below the aggregate sum of _____ Dollars ($_____) and solely from such special funds also to pay interest on said sum from the date hereof at the rate for each such principal installment specified below on the first day of _____ and the first day of _____ in each year beginning _____ 1, 19__, all such interest as may accrue on and prior to the maturity date hereof to be payable only upon presentation and surrender of the annexed coupons as they severally become due, both principal of, and interest on, this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, 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, or at the option of the holder at the _____.

Year	Principal Installment	Interest Rate

This Bond is subject to redemption prior to its stated date of maturity as follows:

This Bond represents the aggregate principal amount, being $_____, of an authorized issue of Bonds, issued to refund certain bond anticipation notes of the Town (the "Note") issued to finance the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system (the "System") of the Town and to pay certain issuance and related costs in connection therewith. This Bond is authorized under and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 of Chapter 16 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Town Council of the Town on the 8th day of July, 1980, and supplemented thereby on the ____ day of _____, 19___ (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

The Bonds authorized by said Ordinance are payable only from and secured by the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town, which net revenues shall be sufficient to pay the principal of, and interest on, all bonds which may be issued pursuant to the Act and

which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same or the interest thereon except from said special fund provided from the net revenues from the operation of said System. By the Ordinance, the Town has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of said System, and to leave a balance each year equal to at least 130% of the amount required during such year to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Town has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the holders of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This issue of Bonds, of which this Bond represents the aggregate principal amount, is junior, subordinate and inferior as to source of payment and security and in all other respects to $_____ in principal amount of the Town's _____ Bonds, dated _____, _____, outstanding on the date hereof. Additional pari passu bonds may be issued upon compliance with the terms and conditions of the Ordinance, but no further obligations having priority over the Bonds may henceforth be issued by the Town.

This Bond is fully negotiable but may be registered as to principal only in the name of the holder on the books in the office of the Treasurer of the State of West Virginia, at Charleston, West Virginia, such registration to be evidenced by notation on the back hereof by the Treasurer, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be registered again as before. The registration of this Bond as to principal shall not restrain the negotiability of the coupons by delivery merely.

This Bond is exchangeable at the option and expense of the holder hereof for coupon bonds in the denomination of $5,000 each, in aggregate principal amount equal to the amount of this Bond then outstanding with appropriate interest coupons for interest due and unpaid or to come due attached, with maturities corresponding to the dates of payment of principal installments of this Bond.

This Bond and interest hereon shall be exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts connected with the issuance hereof and the refunding of the Note, as provided by law and the Ordinance, shall be applied solely to refunding the Note, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of said Bonds. Further, the holder hereof shall have a lien on the proceeds of the Note held by the Town until used to finance the construction and acquistion of the additions, betterments and improvements to the System.

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 said Town, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System of said Town has been pledged to and will be set aside into said special fund by said Town for the prompt payment of the principal of and interest on the Bonds.

All provisions of the ordinances 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 said Town has caused this Bond to be signed by its Mayor, attested by its Town Recorder and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the manual

signatures of said Mayor and Town Recorder, all as of the first day of _____, 19__.

_____
Mayor

ATTEST:

_____
Town Recorder

(Form of Coupon]

No. _____ $_____

On the first day of _____, 19__, the Town of New Haven, West Virginia, will pay to bearer upon presentation of and surrender of this coupon the sum shown hereon, out of the special fund provided therefor, at the office of the West Virginia Municipal Bond Commission or, at the option of the holder hereof, at the _____ _____, said payment to be made in any coin or currency which on said date of payment is legal tender for the payment of public and private debts under the laws of the United States of America, as provided in, and for interest then due on, the Subordinate Sewer Revenue Bond, Series 19__, dated _____, 19__, to which this coupon is attached.

_____

Mayor

_____

Town Recorder

_____

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

Date of Registration	In Whose Name Registered	Signature of Registrar

3.06. Sale of Bonds; Execution of Loan Agreement with Authority. The Bonds originally issued pursuant to this Ordinance shall be sold to the West Virginia Water Development Authority, Charleston, West Virginia, pursuant to the terms and conditions of the Loan Agreement to be entered into between the Town and the Authority, all of the provisions of which are hereby ratified and confirmed herein and made a part hereof. The Mayor is specifically authorized and directed to execute the Loan Agreement in substantially the form of Exhibit A, and the Town Recorder is directed to afix the seal of Town, attest the same and deliver the Loan Agreement to the Authority.

ARTICLE IV

SECURITY OF BONDS

Section 4.01. Bonds Junior and Subordinate to Prior Bonds. The Bonds issued pursuant to this Ordinance shall be junior, subordinate and inferior as to source of payment and security and in all other respects to the Prior Bonds. After making all of the payments required with respect to the Prior Bonds pursuant to the Prior Ordinance, the Town shall make the following payments from the Sewer Revenue Fund (the "Prior Fund") established under the Prior Ordinance:

(A) (1) From the moneys in the Prior Fund, the Town shall, on the first day of each month, as set forth in the Supplemental Resolution, apportion and set apart out of the Prior Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund," which is hereby created and established, a sum equal to one-sixth (1/6) of the amount of interest which will become due on said Bonds on the next ensuing semiannual interest payment date: Provided, however, that in the event that the period to elapse between said initial payment date and the next semi-annual interest payment date is less than six (6) months,

then such monthly payments shall be increased proportionately to provide the required amount of interest maturing on the next semiannual interest payment date.

The Town shall also, from the Prior Fund, remit to the Commission, on such dates or at such other times as the Commission shall require, such additional sums as shall be necessary to pay the fiscal agency charges due for paying the Bonds and the interest thereon.

The Town shall also apportion and set apart out of the Prior Fund and remit to the Commission for deposit in said Sinking Fund, on the first day of each month, beginning on the first day of that month which is twelve (12) months prior to the first principal payment date of said Bonds, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on said Bonds on the next ensuing principal payment date.

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

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due.

(2) The Town shall next, from the Prior Fund, remit to the Commission for deposit in a Reserve Account in said Sinking Fund, on the first day of each month of each year, beginning with and including the month in which payments from the Prior Fund for semiannual interest are commenced, an amount equal to twenty percent (20%) of all amounts required to be deposited for maturing principal and interest into said Sinking Fund, as provided above, on said dates: Provided, however, that no further payments shall be made into said Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the maximum amount of principal and interest that will mature and become due on said Bonds in any succeeding fiscal year.

Moneys in the Reserve Account shall be used only for the purpose of payment of maturing principal of or

interest on the Bonds when other moneys in the Sinking Fund are insufficient therefor and for no other purpose.

Any withdrawals from the Reserve Account shall be subsequently restored from the first revenue available after all required payments to the Sinking Fund and Reserve Account, including any deficiencies for prior payments, have been made in full.

The Town shall not be required to make any further payments into said Sinking Fund or into the Reserve Account in said Sinking Fund when the aggregate amount of funds in both said Sinking Fund and said Reserve Account are at least equal to the aggregate principal amount of Bonds issued pursuant to this Ordinance then outstanding, plus the amount of interest due or thereafter to become due on said Bonds then outstanding.

As and when additional bonds ranking on a parity with the Bonds herein authorized are issued, provision shall be made for additional payments into said Sinking Fund sufficient to pay the interest on such additional parity bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Reserve Account in said Sinking Fund in an amount equal to the maximum provided and required to be paid into the Sinking Fund in any calendar year for account of all the Bonds, including such additional bonds which by their terms are payable from said Sinking Fund.

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

Said Sinking Fund shall be used solely and only and is hereby pledged for the purpose of servicing the 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) Thereafter, from the moneys remaining in said Prior Fund, the Town shall next, on the first day of each month commencing with the first month in which interest shall be first payable from the Prior Fund, remit to a bank which is eligible under the laws of West Virginia to receive deposits of state and municipal funds for deposit in a special account to be designated "Renewal and Replacement Fund," which account is hereby established and created, a sum equal to two and one-half percent of the gross revenues each month, exclusive of any payments for account of the Reserve Account in the Sinking Fund. All funds in said Renewal and Replacement Fund shall be kept apart from all other municipal funds, and all or any part of said fund may be invested in bonds or other direct or fully guaranteed obligations of the United States of America maturing or being subject to retirement at the option of the holder within not more than ten (10) years from the date of such investment. Withdrawals and disbursements may be made from said Renewal and Replacement Fund for replacements, emergency repairs, additions, betterments or improvements to the System; provided, however, that any deficiency in the 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 not funded such Account to the maximum extent required by Section 4.01(A)(2)), shall be promptly eliminated with moneys from the Renewal and Replacement Fund in amounts sufficient to eliminate such deficiency.

(C) Whenever all of the required and provided transfers and payments from said Prior Fund into the several special funds, as hereinbefore provided, are current and there remains in said Prior Fund a balance in excess of the estimated amounts required to be so transferred and paid for operating expenses and into the Sinking Fund and the Renewal and Replacement Fund during the next succeeding three (3) months, such excess shall be considered as surplus revenues. Said surplus revenues shall be first used for the construction and acquisition of improvements and extensions to the System, and, thereafter, to the extent not needed for such purposes, said surplus revenues and any surplus moneys in the Sinking Fund, exclusive of the Reserve Account, in excess of the amount of interest to become due on the next interest payment date and the amount of principal to become due within the next succeeding twelve (12) months, may be used to

purchase Bonds upon the open market at a price not exceeding the par value thereof plus three per centum (3%) of such par value, or to redeem Bonds at a price not in excess of the redemption price thereof, or for debt service on obligations not on a parity with the Bonds, the proceeds of which obligations were used to finance such additions, betterments or improvements.

(D) The moneys in excess of the sum insured by the maximum amounts insured by the Federal Deposit Insurance Corporation in the Prior Fund and for the Renewal and Replacement Fund (unless remitted to the Commission) shall at all times be secured, to the full extent thereof in excess of such insured sum, by direct obligations of the United States of America or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

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

(F) Moneys in the Reserve Account shall be invested and reinvested by the Commission in direct obligations of the United States of America having maturities not longer than five (5) years from the date of purchase.

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

(H) After the Prior Bonds have been paid in full (or provisions therefor have been made), all the revenues from the operation of the System shall be deposited in a bank in the State of West Virginia eligible to receive deposits of State and municipal funds in a special fund, to be designated the "Revenue Fund." The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the Town and used only for the purposes and in the manner herein provided. All revenues in the Revenue Fund shall first each month be used to pay all reasonable operating expenses of the System. Thereafter, disbursements shall be made from the Revenue Fund in the same priority and to the same extent as such were made from the Prior Fund, as described above.

ARTICLE V

BONDS TO REFUND NOTES

At the maturity, or call prior to maturity, of the Notes, as provided in Article VII hereof, the Bonds originally issued pursuant to this Ordinance shall be used to defease the Notes and pay issuing expenses required by the Authority. The Town hereby assigns its right to receive funds as proceeds of said Bonds to the Authority, and there shall be no transfer of funds by the Authority to the Town as payment for said Bonds, except to the extent Bonds are issued in a principal amount in excess of the amount required to refund the Notes and pay costs of issuance of the Bonds and related costs.

ARTICLE VI

ADDITIONAL COVENANTS OF THE TOWN

Section 6.01. General Covenants of the Town. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Town and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of said Bonds. In addition to the other covenants, agreements and provisions of this Ordinance, the Town hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon are outstanding and unpaid.

Until the payment in full of the principal of and interest on the Notes when due, the covenants, agreements and provisions contained in this Ordinance shall, where applicable, inure to the benefit of the Noteholders and constitute valid and legally binding covenants of the Town, enforceable in any court of competent jurisdiction by any Holder or Holders of said Notes.

Section 6.02. Bonds Not To Be Indebtedness of the Town. Neither the Bonds nor coupons appertaining thereto shall be or constitute an indebtedness of the Town within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the revenues

of the System, as herein provided. No Holder or Holders of any Bonds issued hereunder, or of any coupon appertaining thereto, shall ever have the right to compel the exercise of the taxing power of the Town to pay said Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Notes and the Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the net revenues derived from the operation of the System, to the extent necessary, with respect to the Bonds, to make the payments required under Section 4.01 of this Ordinance; provided, that such lien is junior and subordinate to the lien held by the holders of the Prior Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized and to make the payments into the Sinking Fund, including the Reserve Account therein, and all other payments provided for in this Ordinance are hereby irrevocably pledged, in the manner provided in this Ordinance, to the payment of the principal of and interest on the Notes and the Bonds herein authorized as the same become due, and for the other purposes provided in this Ordinance.

Section 6.04. Rates. Prior to the issuance of the Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the Sanitary Board and in the office of the Town Recorder, each of 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 to pay operating expenses and to make the prescribed payments on behalf of the Prior Bonds and 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 Town hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide for all reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least 130% of the maximum amount required in any ensuing year to pay the

interest and principal as the same become due and accomplish retirement of all obligations other than the Notes for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered.

Section 6.05. Completion, Operation and Maintenance. The Town will expeditiously complete and maintain in good condition said System and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said System in the manner provided in this Ordinance.

Section 6.06. Sale of the System. 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 Notes or the Bonds outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Fund, and, in the event the Authority is no longer a Bondholder, the Town shall direct the Commission to apply such proceeds to the payment of principal and interest at maturity of the Bonds about to mature. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Town by the Commission unless necessary for the payment of other obligations of the Town payable out of the revenues of the System. With respect to the Notes, such proceeds in an amount sufficient to pay in full the Notes shall be remitted to the Holder thereof.

The foregoing provision notwithstanding, the Town shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of Ten Thousand Dollars ($10,000), the Sanitary Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Town Council 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 shall be in excess of Ten Thousand Dollars ($10,000) but not in excess of Fifty Thousand Dollars ($50,000), the Sanitary Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Town Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be remitted by the Town to the Commission for deposit in the 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 three per centum (3%) of such par value. Such payments of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Town if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay all the Bonds then outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in amount of the Bonds then outstanding. The Town 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 6.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The Town shall not issue any other obligations whatsoever, payable from the proceeds of the Bonds or the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such proceeds or revenues with the Notes or the Bonds; provided, that additional bonds on a parity with the Bonds may be issued as provided for in Section 6.08 hereof. All obligations hereafter

issued by the Town 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 Notes and the Bonds; provided, however, that no such subordinate obligations shall be issued unless the Reserve Account in the Sinking Fund is funded to the extent that no further payments are required thereto as provided in Section 4.01(A)(2).

Except as provided above, the Town 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 Ordinance, or upon the System or any part thereof. The Town 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 Notes, and the interest thereon, upon the proceeds of the Bonds originally issued pursuant to this Ordinance or upon any of the income and revenues of the System pledged for payment of the Notes and the interest thereon in this Ordinance, or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. No additional parity bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to the Ordinance, except under the conditions and in the manner herein provided.

No such additional parity bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of additions, betterments and improvements to the System or refunding the entirety of the Prior Bonds or one or more series of Bonds issued pursuant hereto, or both such purposes.

No such additional parity bonds shall be issued at any time, however, unless and until there has been procured and filed with the Town Recorder a written statement by a certified public accountant not in the regular employ of the Town, 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 twelve (12) consecutive months, within the eighteen (18) months

immediately preceding the date of the actual issuance of such additional parity bonds, plus the estimated average increased annual net revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such additional parity bonds, shall not be less than one hundred thirty percent (130%) 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 originally issued pursuant to the Ordinance then outstanding;

(2) Any additional parity bonds theretofore issued pursuant to the provisions contained in the Ordinance then outstanding; and

(3) The additional parity bonds then proposed to be issued.

The "estimated average increased annual net revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased net revenues estimated to be derived from (a) the improvements to be financed by such additional parity bonds and (b) any increase in rates authorized by the Town, the time for appeal to the Public Service Commission of West Virginia regarding which shall have expired prior to the date of delivery of such additional 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 Town Recorder prior to the issuance of such additional parity bonds.

The net revenues actually derived from the System during the twelve-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 certified public accountant as stated in a certificate jointly made and signed by the Consulting Engineers and said certified public accountant, on account of increased rates, rentals, fees and charges for the System authorized by the Town, the time for appeal to the Public Service Commission of West Virginia regarding which shall have expired prior to issuance of such additional parity bonds.

Not later than simultaneously with the delivery of such additional parity bonds, the Town shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements to the System that are to be financed by such additional parity bonds.

The term "additional parity bonds," as used in this section, shall be deemed to mean additional bonds issued under the provisions and within the limitations of this section, payable from the revenues of the System on a parity with the Bonds originally issued pursuant to this Ordinance and all the covenants and other provisions of the Ordinance (except as to details of such additional parity bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds originally issued pursuant to this Ordinance and the holders of any additional parity bonds subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any bond or coupon over any other. The Commission shall comply fully with all the increased payments into the various funds created in the Ordinance required for and on account of such additional bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Ordinance.

All additional parity bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified for the Bonds in the Supplemental Resolution.

The term "additional parity bonds," as used in this section, 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 Bonds on such revenues. The Town shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional parity bonds, as in this section defined, shall be created at any time, however, unless all the payments into the respective funds and accounts provided for in the Ordinance on the Bonds then outstanding, and any other payments provided for in the Ordinance, shall have been made in full as required to the date of delivery of the additional bonds and the Town shall then be in full compliance with all the covenants, agreements and terms of the Ordinance.

Section 6.09. Insurance. The Town will carry, with a reputable insurance carrier or carriers, such insurance as is customarily carried with respect to works and properties similar to the System, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks, which insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the System. In time of war, the Town shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. To the extent allowable under the Prior Ordinance, 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 said Renewal and Replacement Fund. The Town will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System.

Section 6.10. Services Rendered to the Town. The Town will not render or cause to be rendered any free services of any nature by its System; and in the event the Town or any department, agency, instrumentality, officer or employee of the Town shall avail itself or himself or herself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Town and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Town shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the

operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.11. Remedies and Appointment of Receiver. Any Noteholder or Bondholder may, by proper legal action, compel the performance of the duties of the Town under this Ordinance and the Act, including the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any default in the payment of interest on any Notes or Bonds when the same shall become due, or in the payment of the principal of any Note or Notes or any Bond or Bonds at the specified date of maturity thereof, or otherwise in the performance of any covenant contained in this Ordinance other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the Town of such default, any Noteholder or Bondholder shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Town with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and interest coupons, the deposits into the funds and accounts hereby established as herein provided and the payment of operating expenses of the System, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Notes or the Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for Reserve, Sinking or other funds and upon any other obligations and

interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the Town upon the entry of an order of the court to that effect. Upon any subsequent default, any Holder of the Notes or any Bonds issued pursuant to this Ordinance shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her, 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 Town and for the joint protection and benefit of the Town and Holders of Notes or Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Town and Noteholders or Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Town, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Section 6.12. Enforcement of Collections. The Town will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for services or facilities of the System shall remain unpaid for a period of thirty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. The Town further convenants and agrees that in the event it has a municipally owned waterworks system (the "Water System"), 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 and facilities of the System and the Water System to all delinquent users of services and facilities of the System and will not restore such services of either System until all delinquent charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

Section 6.13. No Competing Franchise. The Town will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services that would compete with services provided by the System.

Section 6.14. Books and Records. The Town will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Town, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Note or Notes or of a Bond or Bonds issued pursuant to this Ordinance shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Town relating thereto.

The accounting system for the System shall follow currently accepted accounting practices and safeguards. Separate control accounting records shall be maintained by the Town. 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 Town. The Town 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 Town shall be reported to such agent of the Town as the Council of the Town shall direct.

The Town shall file with the Consulting Engineers and the Authority, and shall mail in each year to any Holder or Holders of Notes or Bonds requesting the same, an annual report containing the following:

A. A statement of gross revenues, operating expenses and net revenues derived from the System.

B. A balance sheet statement showing all deposits in all the funds provided for in this Ordinance and the status of all said funds.

The Town shall also, at least once a year, cause the books, records and accounts of the System to be audited by a certified public accountant and shall mail upon request, and make available generally, the report of said certified public accountant, or a summary thereof, to any Holder or Holders of Notes or Bonds issued pursuant to this Ordinance and shall file said report with the Authority.

Section 6.15. Initial Schedule of Rates. The rates, fees and other charges for the use of the services of the System established under an ordinance of the Town enacted on or before the date of the adoption of the Supplemental Resolution referred to in Section 3.01 hereof shall, for purposes of this Ordinance, constitute the initial schedule of rates for said System.

Section 6.16. Operating Budget. The Sanitary Board shall annually, at least forty-five (45) days preceding the beginning of each fiscal year, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year. No expenditures for the operation and maintenance of the System shall be made in any fiscal

year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Sanitary Board shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of ten percent (10%) of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Town shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to any Noteholder or Bondholder who shall file his or her address with the Town 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 Noteholder or Bondholder or anyone acting for and in behalf of such Noteholder or Bondholder.

Section 6.17. Mandatory Connections. The mandatory use of the sewer facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare and the economy of the inhabitants of the Town and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the sewer facilities. Accordingly, every owner, tenant and occupant of every lot, parcel and tract of land that abuts on a street, alley or other public way in which any sewer line, main or facility is located, or which is located within a reasonable distance thereof, not exceeding 300 feet, and is reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable structure has been or shall be erected for residential, commercial or industrial use, shall connect the waste or sewage lines of such building or structure with the sewer facilities of the System if sewage will flow by gravity from such building or structure into the sewer facilities of the System and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates lawfully provided for use of the sewer facilities.

Any such building or structure from which emanates sewage or water-borne waste matter and is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Town 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.

ARTICLE VII
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF NOTE; LOAN AGREEMENT

Section 7.01. Authorization and Terms of Notes. For the purpose of financing the cost of construction and acquisition of the Project, there shall be issued and sold to the Authority negotiable Sewer System Bond Anticipation Notes, Series 1980, of the Town, in the aggregate principal amount of not in excess of $451,000. Said Notes shall be designated "Sewer System Bond Anticipation Notes, Series 1980," and shall be dated as of the date of delivery thereof to the Authority. The Notes shall mature on June 1, 1981; provided, that the Notes shall be renewed at the option of the Authority for a period not to exceed one year at interest rates to be established by the Authority, and authorized by the Supplemental Resolution, but in no event shall such interest rates exceed the maximum permissible rates of interest which the Town may pay under applicable State law. The Notes shall bear interest from the date thereof at the rate of eight percent (8%) per annum, payable for the periods on which interest is payable on the bond anticipation notes of the Authority issued to purchase the Notes (the "Authority's Notes") two days in advance of the interest payment date for the Authority's Notes, all as provided in the Supplemental Resolution. Interest on the Notes shall be payable solely from the funds provided therefor in accordance with Section 8.01 hereof. The Notes shall be subject to call on demand of the Authority upon 14 days' written notice to the Town. The Notes shall not be prepayable or redeemable at the option of the Town.

The Notes shall be issued in the form of one note for the aggregate principal amount of the Notes, registered as to principal to the Authority, with interest coupons attached. Interest on the Notes shall be payable in accordance with, and upon surrender of, the appurtenant interest coupons as they severally mature.

Principal of and interest on the Notes shall be payable in any coin or currency which, on the respective dates of payment of principal and interest, 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 Commission, or at a bank or trust company selected by the Authority as an alternate paying agent; provided, however, at the option of the Authority, the principal of the Notes may be paid by exchanging the Note with the Bonds originally issued pursuant to this Ordinance.

Section 7.02. Execution of Notes and Coupons. Said Note shall be executed in the name of the Town by the Mayor, and the seal of the Town shall be affixed thereto and attested by the Town Recorder. In case any one or more of the officers who shall have signed or sealed the Note shall cease to be such officer of the Town before the Note so signed and sealed shall have been actually sold and delivered, such Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Note had not ceased to hold such office. The Note may be signed and sealed on behalf of the Town by such person as at the actual time of the execution of such Note shall hold the proper office in the Town, although at the date of such Note such person may not have held such office or may not have been so authorized.

The coupons to be attached to the Note shall be authenticated with the manual signature of the present or future Mayor and Town Recorder of the Town.

Section 7.03. Negotiability, Transfer and Registration. The Notes 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 said Notes or the coupons appertaining thereto, shall be conclusively deemed to have agreed that such Notes 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 Notes shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Notes.

So long as any of the Notes remains outstanding, the Treasurer of the State of West Virginia shall keep and maintain books for the registration and transfer of the Notes. The Notes may be registered at the option of the Holder as to principal only at the office of the Treasurer of the State of West Virginia, such registration to be noted on the back of said Notes in the space provided therefor. After such registration as to principal only, no transfer of the Notes shall be valid unless made at said office by the registered owner, or by his or her duly authorized agent or representative, and similarly noted on the Notes, but the Notes may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. At the option of the Holder the Notes may thereafter again from time to time be registered or transferred as before. Such registration as to principal only shall not affect the negotiability of the coupons, which shall continue to pass by delivery.

Section 7.04. Notes Mutilated, Destroyed, Stolen or Lost. In case any Note shall become mutilated or be destroyed, stolen or lost, the Town may in its discretion issue and deliver a new Note with all unmatured coupons, if any, so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Note upon surrender and cancellation of such mutilated Note, and attached coupons, if any, or in lieu of and substitution for the Note and coupons, if any, destroyed, stolen or lost and upon the Holder's furnishing the Town proof of his or her ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Town may prescribe and paying such expenses as the Town may incur. All Notes and coupons so surrendered shall be cancelled by the Town Recorder and held for the account of the Town. If such Note or coupons shall have matured or be about to mature, instead of issuing a substitute Note or coupon, the Town may pay the same, upon being indemnified as aforesaid, and if such Note or coupons be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Note and coupons issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Town, whether or not the lost, stolen or destroyed Note or coupons be at any time found by any one, and such duplicate Note and coupons shall be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the

proceeds of the Bonds and the revenues pledged herein with all other Notes and coupons issued hereunder.

Section 7.05. Form of Note and Coupons. The text of the Note, and of the coupons, shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance, the Supplemental Resolution or any subsequent resolution or ordinance adopted prior to the issuance thereof.

[Form of Note]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SEWER SYSTEM BOND ANTICIPATION NOTE,
SERIES 1980

No._____ $451,000

KNOW ALL MEN BY THESE PRESENTS: That THE TOWN OF NEW HAVEN, a municipal corporation, organized and existing under the laws of the State of West Virginia (the "Town"), for value received, hereby promises to pay, from the proceeds of certain Subordinate Sewer Revenue Bonds to be hereafter issued by the Town, as hereinafter set forth, to the bearer or, if this Note be registered as to principal to the registered holder hereof, on the first day of June 1, 1981, the sum of Four Hundred Fifty-One Thousand Dollars ($451,000). Interest on said sum is payable from the date hereof at the rate of eight percent (8%) per annum semiannually, on the ____ day of _____, 19____, and the ____ day of _____, 19___, solely from the special fund provided therefore, as hereinafter set forth, all such interest as may accrue on and prior to the maturity date hereof to be payable only upon presentation and surrender of the annexed coupons as they severally become due, both principal of, and interest on, this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, 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, or at the option of the holder at the _____

Provided, however, that, if the West Virginia Water Development Authority (the "Authority") is the holder hereof, at the option of the Authority the principal of this Note may be paid by exchanging said Note with the aforementioned Subordinate Sewer Revenue Bonds.

So long as the Authority is the holder hereof, this Note is subject to renewal at the option of the Authority for a period not to exceed one year at interest rates to be established by the Authority, but in no event shall such interest rates exceed the maximum permissible rates of interest which the Town may pay under applicable State law. So long as the Authority is the holder hereof, this Note is subject to call on demand of the Authority upon 14 days' written notice to the Town. This Note is not prepayable or redeemable at the option of the Town.

This Note represents the aggregate principal amount of Notes issued to finance the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system (the "System") of the Town pending the issuance of certain Subordinate Sewer Revenue Bonds as described below, all under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 of Chapter 16 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly adopted by the Town Council of the Town on the 8th day of July, 1980, as supplemented on _____, 19____ (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance.

This Note is issued in anticipation of certain Subordinate Sewer Revenue Bonds of the Town, and the principal of this Note is payable from the proceeds of such Subordinate Sewer Revenue Bonds to be issued at the maturity, or call prior to maturity, of this Note, as authorized by the Ordinance. Issuance of said Subordinate Sewer Revenue Bonds was authorized by the Ordinance, and the Authority has agreed to purchase such Bonds. Interest on this Note is payable from certain proceeds of sale hereof deposited for such purpose in a trust account with _____. To the extent the principal of and interest on this Note are not paid as provided above, they are payable from, and secured by a lien on, the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of The Town.

This Note does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or

statutory provisions or limitations, nor shall said Town be obligated to pay the same or the interest thereon except from the proceeds of the Subordinate Sewer Revenue Bonds and this Note or from the net revenues from the operation of said System. Under the Ordinance, the Town has entered into certain covenants with the holders of this Note for the terms of which reference is made to said Ordinance. Remedies provided the holder of this Note are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof. This Note is junior, subordinate and inferior as to source of payment and security from, and in all other respects with regard to, the net revenues derived from the operation of the System to $_____ in principal amount of the Town's _____ Bonds, dated _____, _____, outstanding on the date hereof.

This Note is fully negotiable but may be registered as to principal only the name of the holder on the books in the office of the Treasurer of the State of West Virginia, at Charleston, West Virginia, such registration to be evidenced by notation on the back hereof by the Treasurer, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be registered again as before. The registration of this Note as to principal shall not restrain the negotiability of the coupons by delivery merely.

This Note and the interest hereon shall be exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

All money received from the sale of this Note, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of additions, betterments and improvements described in the Ordinance, including payment of any indebtedness incurred by the Town for such purposes which is required to be paid from the moneys received from the sale of such Bonds, or to the appurtenant capitalized interest trust account, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of said Note.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen

and be performed precedent to and in the issuance of this Note have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of said Town, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that the Subordinate Sewer Revenue Bonds described above will be issued to refund this Note.

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

IN WITNESS WHEREOF, the said Town has caused this Note to be signed by its Mayor, attested by its Town Recorder and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the manual signatures of said Mayor and Town Recorder, all as of this ____ day of _____, 1980.

_____
Mayor

ATTEST:

_____
Town Recorder

[Form of Coupon]

No. _____ $_____

On the _____ day of _____, 19__, The Town of New Haven, West Virginia, will pay to bearer upon presentation of and surrender of this coupon the sum shown hereon, out of the special fund provided therefor, at the office of the West Virginia Municipal Bond Commission or, at the option of the holder hereof, at the _____ _____, said payment to be made in any coin or currency which on said date of payment is legal tender for the payment of public and private debts under the laws of the United States of America, as provided in, and for interest then due on, the Sewer System Bond Anticipation Note, Series 1980, dated _____ , 19__, to which this coupon is attached.

_____

Mayor

_____

Town Recorder

_____

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

Date of Registration	In Whose Name Registered	Signature of Registrar

Section 7.06. Sale of Notes; Execution of Loan Agreement with Authority. The Notes shall be sold to the West Virginia Water Development Authority, Charleston, West Virginia, pursuant to the terms and conditions of the Loan Agreement authorized by Section 3.06 hereof.

Section 7.07. Further Covenants. With respect to the issuance of the Notes, the Town hereby further covenants as follows:

(A) The Town shall enact the requisite rate ordinance at such time and with such provisions with respect to interest rate and maturity of the Bonds to repay the Notes as the Authority shall require; and

(B) The Town will issue the Bonds to refund the Notes, which Bonds shall comply in all respects with the provisions of Section 9.09 of the bond resolution adopted by the Authority on November 29, 1978, as supplemented (the "Bond Resolution"), to have the following terms, and to be issued upon the following additional conditions:

(A) such Bonds shall be in an aggregate principal amount equal to the unpaid principal amount of all outstanding Notes of the Town plus the amount, if any, required under the Authority's Bond Resolution to be paid from the proceeds of such Bonds to fund the Capital Reserve Fund and to pay Costs of Issuance (both "Capital Reserve Fund" and "Costs of Issuance" are defined in said Bond Resolution), including any consultant fees, related thereto (collectively, the "Issuing Expenses") as determined by the Authority, and the Town hereby agrees to advise the Authority of the amount, if any, of Issuing Expenses to be paid from any of its funds then available to pay such Issuing Expenses before utilizing the proceeds of such Bonds to do so; and

(B) such Bonds shall mature in the times and amounts as directed by the Authority, but not over a period of more than 40 years, and shall be dated, shall bear interest at such rate per annum (but not in excess of the legally permissible rate) as the Authority shall direct, payable as provided in the aforementioned Bond Resolution, and shall be in denominations equal to the unpaid principal amount of each Note to be exchanged plus the pro rata portion of Issuing Expenses which are not to be paid from other funds of the Town attributable to each Note, and the Town shall authorize such terms as directed by the Authority by the Supplemental Resolution.

Section 7.08. Notes Are Limited Obligations. The Notes, and the coupons attached thereto, do not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same except from the proceeds thereof, the proceeds of the Bonds originally issued pursuant to this Ordinance, or, to the extent the Town does not issue the Bonds or other obligations to refund the Notes, from the net revenues derived from the operation of the System.

ARTICLE VIII

APPLICATION OF NOTE PROCEEDS

Section 8.01. Application of Note Proceeds. From the moneys received from the sale of the Notes authorized and issued pursuant to this Ordinance, the following amounts shall be first deducted and deposited:

A. The amount of the proceeds necessary to pay interest on the Note until scheduled maturity thereof shall be deposited by the Town in a special bank account in a trust fund to be known as the "Capitalized Interest Account," which is hereby created with the Mason County Bank, New Haven, West Virginia, as trustee (the "Trustee"). The Trustee shall segregate all funds and securities in the Capitalized Interest Account separate and apart from other deposits and funds of the Trustee and other deposits and funds of the Town, including the Project Construction Fund. All moneys in the Capitalized Interest Account, until payment in full of all principal and interest owing on the Note at maturity, or call prior to

maturity, shall be held by the Trustee for the holders of the Note, and the Town shall have no rights with respect thereto. All moneys in the Capitalized Interest Account in excess of the amount insured by FDIC shall be continuously secured by, or invested by the Trustee in, direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America ("Governmental Obligations"), which Governmental Obligations shall mature at least one day prior to need for the funds for payment of interest on the Note. At or prior to any interest payment date, the Trustee shall transfer to the paying agents in immediately available funds the amount of interest owing on the Note. Upon final transfer for payment in full of all interest on the Note, the Trustee shall pay to the Town any excess amounts remaining in the Capitalized Interest Account, and the Town shall deposit any such amounts in the Project Construction Fund.

The Town shall pay to the Trustee from time to time reasonable compensation for all services rendered by the Trustee and all reasonable expenses, charges, counsel fees and other disbursements incurred by the Trustee in connection with its performance of its functions hereunder. The Town shall from time to time have the right to appoint a successor Trustee provided that such successor Trustee be a bank or trust company or national banking association insured by the FDIC. The Trustee shall signify its acceptance of the duties and obligations hereby imposed by executing and delivering to the Town a written acceptance thereof.

The Town hereby covenants that it will not, and hereby directs that the Trustee not, invest or use any of the proceeds of the Notes nor any moneys in the Capitalized Interest Account in such manner as to cause the Notes to be "arbitrage bonds" under the provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

B. The remaining moneys derived from the sale of said Notes shall be deposited by the Town in a special bank account in a fund to be known as the "Construction Trust Fund," which is hereby created, which fund shall be kept separate and apart from all other funds of the Town and shall be drawn out, used and applied by the Sanitary Board of the Town solely for the payments of the cost of the construction and acquisition of said Project, and purposes incidental thereto, and for no other purposes whatsoever. The moneys in said fund shall be secured at all times by the

deposit of such bonds in direct obligations of the United States of America having a fair market value at least equal to the balance in excess of $100,000 in said fund. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds shall be deposited by the Town in the Sinking Fund established pursuant to this Ordinance and shall be used only as provided herein. All such proceeds shall be and constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the Holders of the Bonds herein authorized.

Expenditures or disbursements from said Construction Trust Fund, except for legal, fiscal and engineering expenses and expenses in connection with the issuance and sale of the Bonds shall be made only after such expenditures or disbursements shall have been approved in writing by the Consulting Engineers.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Modification or Amendment. No material modification or amendment of this Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto that would materially and adversely affect the rights of Noteholders or Bondholders shall be made without the consent in writing of the Holders of two-thirds (2/3) or more in principal amount of the Notes or the Bonds then outstanding; provided, however, that no change shall be made in the maturity of any Note or Notes or any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Town to pay such principal and interest out of the funds herein pledged therefor without the consent of the Holder thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Notes or Bonds required for consent to the above permitted amendments or modifications.

Section 9.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 9.03. Publication of Ordinance. The Town Recorder is hereby authorized and directed to publish this Ordinance as a Class II legal advertisement in compliance with the provisions of Article 3 of Chapter 59 of the Code

of West Virginia, 1931, as amended, in the Point Pleasant Register, and the Daily Sentinel, two ~~a~~ newspapers of general circulation in the Town, with a notice to all persons concerned stating that this Ordinance has been adopted; that the Town contemplates the issuance of Sewer System Bond Anticipation Notes and the Subordinate Sewer Revenue Bonds described in this Ordinance; and that any person interested may appear before the Council, ~~in the council chamber in the Town Hall~~ at New Haven Fire Station in the Town on the 28th day of July, 1980, at 7:30 EDT, as provided in said notice, and present such protest or protests as to such person or persons may seem proper. The last date of the successive publications aforesaid shall be at least ten (10) days prior to said date for the hearing of protests.

At such hearing the objections and suggestions shall be heard, and the Town Council shall take such action as it shall deem proper in the premises; provided, that if at such hearing written protest is filed by thirty per centum (30%) or more of the owners of real estate in said Town, then the Council shall not take further action unless four-fifths (4/5) of the qualified members thereof assent thereto.

Section 9.04. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with this Ordinance are to the extent of such conflict repealed.

Section 9.05. Covenant of Due Procedure, Etc. The Town covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Town Recorder and members of Council of the Town were at all times when any actions in connection with this Ordinance occurred, and are, duly in office and duly qualified for such offices.

Section 9.06. Defeasance. If the Town shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Notes or Bonds and coupons the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then the pledge of any revenues, and other moneys and securities

pledged under the Ordinance and all convenants, agreements and other obligations of the Town to the Noteholders or the Bondholders, as the case may be, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or coupons or interest installments for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the paying agent at the same or earlier time, shall be sufficient, to pay as and when due the principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds and all coupons appertaining to such 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 either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same time, shall be sufficient, to pay when due the principal of and interest due and to become due on said Bonds on and prior to the maturity dates thereof, as the case may be. 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 of and interest on said Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on said Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Town, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Governmental Obligations.

Section 9.07. Restrictions as to Arbitrage Bonds. The Town shall not permit at any time or times any of the proceeds of the Notes or the Bonds or any other funds of the

Town to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Note or Bond to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and the Mayor of the Town shall deliver his certificate, based upon this covenant, with regard thereto to the Authority.

Section 9.08. Effective Date. This Ordinance shall take effect after passage, public hearing and otherwise in the manner prescribed by law.

Exhibit A

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and the Town of New Haven, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans, including short-term interim loans, to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds and bond anticipation notes, issued in anticipation of and refunded with the proceeds of water development revenue bonds, of the State of West Virginia to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act; and

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia to construct, own and operate such a water development project and to finance the cost of constructing or acquiring the same by borrowing money on an interim basis to be evidenced by bond anticipation notes of the Governmental Agency, issued in anticipation of and refunded with the proceeds of revenue bonds issued by such Governmental Agency; and

WHEREAS, the United States Environmental Protection Agency (the "EPA") has awarded a "Step III" grant offer pursuant to the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, for the construction of a water development project by the Governmental Agency (the "Project") at the location and as more particularly described and set forth in the Application for Loan with attachments and exhibits, dated _____, 19__, completed by the Governmental Agency and filed with the Authority, as revised and supplemented (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, the Governmental Agency has also received commitments for such other grants, loans and other financial assistance with respect to such water development project as are described and set forth in Schedule A of the Application; and

WHEREAS, the Authority intends to issue a second series of its Water Development Revenue Bonds (Sewage Systems Loan Program), to be designated Series A of the year in which they are issued (the "Second Series Bonds"), in accordance with the provisions of the Act and the resolution of the Authority duly adopted on November 29, 1978 (the "Bond Resolution"), to be supplemented by a series resolution authorizing the Second Series Bonds, the proceeds of such Second Series Bonds to be used by the Authority to purchase the bonds of certain municipalities and public service districts, including the Governmental Agency, which comply with the requirements established by the Authority, subject, however, to the ability of the Authority to sell the Second Series Bonds and to the extent of the availability of the proceeds of such Second Series Bonds (the "Loan Program"); and

WHEREAS, in conjunction with the issuance of its Second Series Bonds, the Authority intends to provide short-term financing by purchasing bond anticipation notes of governmental agencies, including the Governmental Agency, which are desirous of participating in the Authority's Loan Program, with the proceeds of bond anticipation notes of the State of West Virginia (the "Notes") issued by the Authority pursuant to the Act, a resolution of the Authority duly adopted on May 12, 1980, and a credit agreement between the Authority and Kanawha Valley Bank, N.A., Charleston, West Virginia; and

WHEREAS, the Governmental Agency has requested a loan from the Authority (the "Loan") to be evidenced by revenue bonds issued by the Governmental Agency (the "Local Bonds") and purchased by the Authority, the proceeds of such Loan to be used by the Governmental Agency to refund its Local Notes, hereinafter defined; and

WHEREAS, in conjunction with its request for the Loan, the Governmental Agency has requested an interim loan from the Authority (the "Interim Loan") to be evidenced by bond anticipation notes issued by the Governmental Agency (the "Local Notes") and purchased by the Authority, the proceeds of such Interim Loan to be used by the Governmental Agency to pay the portion of the cost of the Project as is not paid from the sources stated in the Application; and

WHEREAS, the Authority has made all findings required by Section 5 of the Act with respect to the Project and is willing to make the Loan and the Interim Loan to the Governmental Agency, subject to the terms and provisions hereinafter contained;

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

ARTICLE I

Definitions

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

1.2 "Consulting Engineers" means the consulting engineer designated in the Application and any successor thereto.

1.3 The "Interim Loan" means the short-term loan to be made by the Authority to the Governmental Agency pursuant to this Loan Agreement for the purpose of financing in part the cost of the Project.

1.4 The "Loan" means the long-term loan to be made by the Authority to the Governmental Agency pursuant to this Loan Agreement for the purpose of refunding the Interim Loan.

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Loan, and which will be purchased by the Authority in accordance with the provisions of this Loan Agreement.

1.6 "Local Notes" means the bond anticipation notes to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Interim Loan, and which will be purchased by the Authority in accordance with the provisions of this Loan Agreement.

1.7 The "Project" means the water development project hereinabove referred to, to be constructed by the Governmental Agency with, among other funds, the proceeds of the Interim Loan.

1.8 "Supplementary Act" means the supplement to the Local Act provided for in Section 8.5 hereof.

1.9 "System" means the complete sewage system and works owned by the Governmental Agency and any additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

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

ARTICLE II

Identification of Project; Ownership of Project; Rights of Access Thereto; Governmental Agency Financing

2.1 The Project to be undertaken by the Governmental Agency shall generally consist of the acquisition, construction and installation of the facilities described in the Application to be constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director) and consistent with the standards set by the West Virginia Water Resources Board for the waters of the State of West Virginia affected thereby.

2.2 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall have such rights of access to the Project site and Project facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the Project pursuant to the pertinent provisions of the Act.

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 such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Local Notes and the Local Bonds.

ARTICLE III

Conditions to Interim Loan; Issuance of Local Notes

3.1 The agreement of the Authority to make the Interim Loan is subject to the requirements of Section 3.4 hereof and to the fulfillment, to the satisfaction of the Authority, of each and all those certain conditions precedent on or before the delivery date for the Local Notes, which shall be a date mutually agreed upon by the Authority and the Governmental Agency but in no event later than May 1, 1981, or the issuance by the Authority of its Second Series Bonds, whichever shall occur first; provided that, if such Local Notes are not delivered on or before the date so mutually agreed upon, the Authority may use monies for the purchase of bond anticipation notes of other governmental agencies in accordance with 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 delivered to the Authority for purchase the Local Notes in the principal amount and at the price stated in Section 3.2 hereof;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application;

(d) The Governmental Agency shall have obtained all requisite orders of and approvals from the West Virginia Public Service Commission necessary for the issuance of the Local Bonds and construction of the Project; provided, however, that the Governmental Agency shall not be required to have taken necessary

actions with respect to the imposition of rates to be charged for use of the services of the Project prior to closing the Interim Loan; provided further, however, that the Governmental Agency shall have taken necessary actions

with respect to the imposition of such rates at such time and with such provisions with respect to interest rate and maturity of Local Bonds to be issued by the Governmental Agency to finance the Loan to refund the Interim Loan as the Authority shall require;

(e) The Governmental Agency shall have obtained all requisite permits necessary for the construction of the Project from the EPA and the West Virginia Department of Natural Resources;

(f) The Governmental Agency shall have obtained a Step III grant offer from the EPA; and

(g) The Governmental Agency shall have received a certificate, in form and substance satisfactory to the Authority, from the consulting engineer designated by the Authority, regarding the engineering report for the Project.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the Interim Loan to the Governmental Agency and the Governmental Agency shall accept the Interim 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 Interim Loan by purchasing the Local Notes in the principal amount of $451,000 at a price of not less than $446,490. The Governmental Agency represents that the proceeds of the Local Notes will, together with the funds from the sources set forth in the Application, pay the entire cost of the Project.

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

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the availability of funds at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement and to the right of the

Authority to make such loans to other governmental agencies as in the aggregate shall be in the best interests of the Authority's Loan Program.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Interim Loan, authorize the issuance of the Local Notes and the Local Bonds (although specific details with respect to principal amount, interest rate and maturity may be deferred until a supplement to such Local Act, as hereinafter defined), and issue the Local Notes, pursuant to an official action of the Governmental Agency in accordance with the applicable statute of the State of West Virginia (the "Local Act"), which shall, as enacted, contain provisions and covenants in substantially the form as follows:

(a) The Local Act shall generally provide that the revenues generated from the operation of the System will be used monthly first to pay operation and maintenance expenses of the System; second, to the extent not otherwise limited by an outstanding local resolution or ordinance, to provide debt service on the Local Bonds, which shall include the establishment of a reserve account for the payment of the Local Bonds into which shall be deposited an amount equal to 20% of all amounts required to be deposited for debt service until such reserve account equals the maximum amount of principal and interest which will come due on such Local Bonds in any year; third, to create a renewal and replacement, or similar, fund in an amount equal to 2-1/2% of the gross revenues from the System, exclusive of the 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 aforesaid reserve account; and, fourth, to purchase Local Bonds on the open market, or to redeem Local Bonds, or to pay debt service on obligations junior and subordinate to the Local Bonds. The gross revenues of the System shall always be used for purposes of the System.

(b) The Local Act shall further require as follows:

(i) The Governmental Agency shall have taken necessary actions

with respect to the imposition of rates at such time and with such provisions with respect to interest rate and maturity of Local Bonds to be issued pursuant to such Local Act to finance the Loan to refund the Interim Loan as the Authority shall require;

(ii) Interest on the Local Notes shall be payable from the date thereof for the periods on which interest is payable on the Notes two days in advance of the interest payment dates for the Notes;

(iii) The Local Notes shall be renewed at the option of the Authority for a period not to exceed one year at interest rates to be established by the Authority, but in no event shall such interest rates exceed the maximum permissible rates of interest which the Governmental Agency may pay under applicable State law;

(iv) The Local Notes shall bear interest at 8% per annum, payable as provided in subparagraph (ii) and shall mature on June 1, 1981, unless extended as provided in subparagraph (iii);

(v) The Local Notes shall be subject to call on demand of the Authority upon fourteen days' written notice to the Governmental Agency; and

(vi) The Governmental Agency will issue a series of Local Bonds to be exchanged for the Local Notes of such Governmental Agency, which Local Bonds shall comply in all respects with the provisions of this Loan Agreement, to have the following terms, and to be issued upon the following additional conditions:

(A) such series of Local Bonds shall be in an aggregate principal amount equal to the unpaid principal amount of all outstanding Local Notes of the Governmental Agency plus the amount, if any, required under the Bond Resolution to be paid from the proceeds of such Local Bonds to fund the Capital Reserve Fund and to pay Costs of

Issuance (both "Capital Reserve Fund" and "Costs of Issuance" are defined in the Bond Resolution), including any consultant fees, related thereto (collectively, the "Issuing Expenses") as determined by the Authority, and the Governmental Agency hereby agrees to advise the Authority of the amount, if any, of Issuing Expenses to be paid from any of its funds then available to pay such Issuing Expenses before utilizing the proceeds of such Local Bonds to do so; and

(B) such series of Local Bonds shall mature in the times and amounts as directed by the Authority, but not over a period of more than 40 years, and shall be dated, shall bear interest at such rate per annum (but not in excess of the legally permissible rate) as the Authority shall direct and shall be in denominations equal to the unpaid principal amount of each Local Note to be exchanged plus the pro rata portion of Issuing Expenses which are not to be paid from other funds of the Governmental Agency attributable to each Local Note.

(c) The Local Act shall further contain covenants substantially as follows:

(i) That the Local Notes and the Local Bonds shall be secured by the net revenues from the System;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which along with other revenues of the System will pay all reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required for debt service on all obligations, other than the Local Notes, but including the Local Bonds, payable from the revenues of the System;

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

(iv) That 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 Notes or 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 Notes or the Local Bonds, except that bonds on a parity with the Local Bonds may be issued but only if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing;

(vi) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

(viii) That any bondholder 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 Notes or the Local Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(ix) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue

and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xi) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiii) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xiv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xv) That the proceeds of Local Notes, except for capitalized interest, which may be immediately deposited in a sinking fund, must be deposited in a construction fund on which the holder of the Local Notes and the Local Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

The Governmental Agency hereby represents and warrants that the Local Act shall be duly ~~enacted~~ in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Local Notes shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A-1.

4.2 The Interim Loan shall be secured by, among other things, the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the proceeds of the Local Bonds or other obligations of the Governmental Agency issued to refund the Local Notes and all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in

the Local Act, subject only to such reservations and exceptions as are expressly permitted in writing by the Authority.

4.3 The principal of the Interim Loan shall be repaid by the Governmental Agency, and the Interim Loan shall bear interest, as provided in Section 4.1(b) hereof. The Local Notes shall be, to the extent permitted by law, fully registered in the name of the Authority.

ARTICLE V

Conditions to Loan; Issuance of Local Bonds

5.1 The agreement of the Authority to make the Loan is subject to the fulfillment, to the satisfaction of the Authority, of each and all certain conditions precedent on or before the delivery date of the Local Bonds, which shall be a date determined by the Authority. Said conditions precedent are as follows:

(a) The Governmental Agency shall be in compliance with the conditions precedent set forth in subsections 3.1(a), (c), (e), (f) and (g) hereof, met with respect to the Interim Loan;

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Local Bonds as set forth in Section 5.2 hereof;

(c) The Governmental Agency shall have obtained all requisite orders and approvals from the West Virginia Public Service Commission necessary for the issuance of the Local Bonds and construction of the Project, and shall have taken all necessary actions with respect to the imposition of the rates required to comply with the provisions of Section 4.1(c)(ii) hereof.

5.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, 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 the Supplementary Act.

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

ARTICLE VI

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

6.1 As one of the conditions of the Authority to make the Loan, the Local Act enacted by the Governmental Agency prior to the issuance of the Local Notes shall be in full force and effect and, except as required herein with respect to the Supplementary Act, shall not have been amended, supplemented or modified to alter in any way the provisions and covenants required by Section 4.1 of this Loan Agreement, and the Governmental Agency shall issue the Local Bonds pursuant to the Local Act.

The Governmental Agency hereby represents and warrants with respect to the Loan that the Local Act (including the Supplementary Act) shall be duly enacted in compliance with all necessary corporate and other actions and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Local Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A-2.

6.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are expressly permitted in writing by the Authority.

6.3 The principal of the Loan shall be repaid by the Governmental Agency annually on the day and in the years provided in the Supplementary Act.

6.4 The Loan shall bear interest from the date of delivery to the Authority of the Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or rates

per annum borne by the Second Series Bonds for corresponding maturities issued to provide the funds to make the Loan; provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. Interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in the Supplementary Act.

6.5 If allowable under the statute authorizing the issuance of the Local Bonds at the time of issuance thereof, the Local Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency. If registrable as to principal only pursuant to the statute authorizing the issuance of the Local Bonds at the time of issuance thereof, the principal of the Local Bonds shall be registered to the Authority concurrently with the delivery of the Local Bonds to the Authority.

6.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the Second Series Bonds. Such administrative expenses shall be as determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such Second Series Bonds.

6.7 As long as the Authority is the registered owner of all the Local Bonds outstanding, the Governmental Agency will not redeem such Local Bonds outstanding without the written consent of the Authority, and any such redemption authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's Second Series Bonds and the redemption premium, if any, payable on the Second Series Bonds redeemable as a consequence of such redemption of the Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its Second Series Bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE VII

Acquisition of Site of Eligible Project; Certain Construction Requirements

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

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

7.3 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.

7.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders 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.

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

ARTICLE VIII

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

8.1 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 Interim Loan, it will fix and collect as set forth in Sections 3.1(d) and 4.1(b)(i) hereof, the rates, fees and other charges for the use of the System, of which the Project constitutes a whole or a part, required by the Authority with respect to interest rate and maturity of the Local Bonds. As one of the conditions of the Authority to make the Loan, it will have fixed and collected, or will collect, as set forth in Section 3.1(d), 4.1(b)(i) and 5.1(c) hereof, said required rates, fees and other charges.

8.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Notes or the Local Bonds, from the date of the default until the date of the payment thereof.

8.3 In the event, for any reason, the schedule of rates, fees and charges required by the Authority pursuant to Sections 3.1(d), 4.1(b)(i) and 5.1(c) hereof shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the extent or in the manner authorized by law, immediately adjust and increase such schedule

of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act.

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

8.5 The Governmental Agency hereby agrees to adopt a resolution supplementary to the Local Act for the purpose of making certain determinations with respect to the Local Bonds, including, by way of illustration, establishing the principal amount thereof, the interest rate thereon and the maturity schedule therefor, when requested and as prescribed by the Authority, but in no event shall the principal amount of the Local Bonds exceed the amount determined pursuant to Section 4.1(b)(vi)(A) hereof without the mutual consent of the parties hereto.

ARTICLE IX

Other Agreements of the Governmental Agency

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

9.2 To the extent required by law and except as hereinbefore provided, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for Federal financial assistance for pollution abatement in order to maximize the amounts of such Federal financial assistance received or to be received for all water development projects in the State of West Virginia.

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

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

9.5 The Governmental Agency hereby assigns the proceeds from the Local Bonds, to the extent required, to the Authority to refund the Local Notes.

ARTICLE X

Maintenance and Operation

10.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Loan Agreement.

10.2 The Governmental Agency agrees that it will permit the Authority and EPA and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project and commencement of operation thereof.

ARTICLE XI

Miscellaneous

11.1 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.

11.2 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.

11.3 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.

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

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 Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

THE TOWN OF NEW HAVEN, WEST VIRGINIA

(SEAL)

By_____
Its Mayor

Attest:

Date:_____

_____
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By_____
Its Director

Attest:

Date: _____

_____
Its Secretary-Treasurer

EXHIBIT A-1

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Interim Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to the Town of New Haven (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement (the "Loan Agreement"), dated _____, 19__, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of bond anticipation notes of the Governmental Agency, dated _____, 19__ (the "Local Note"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement, in the principal amount of $451,000.00, issued in the form of one note registered as to principal to the Authority, bearing coupons representing interest payable from the date thereof for the periods on which interest is payable on the bond anticipation notes issued by the Authority to finance the purchase of the Local Note two days in advance of the interest payment dates for said notes of the Authority, being _____, at the rate of eight percent (8%) per annum.

The Local Note shall mature on June 1, 1981, unless renewed at the option of the Authority for a period of not to exceed one year at interest rates to be established by the Authority, but in no event shall such interest rates exceed the maximum permissible rates of interest which the Governmental Agency may pay under applicable State law. Further, the Local Note is subject to call on demand of the

Authority upon fourteen (14) days' written notice to the Governmental Agency. The Local Note is issued for the purpose of providing funds to finance, in part, the construction and acquisition of certain additions, betterments and improvements (the "Project") to the sewage system (the "System") of the Governmental Agency as described in the Loan Agreement. The Local Note is issued in anticipation of and will be refunded with the proceeds of revenue bonds of the Governmental Agency (the "Local Bond").

We have also examined the applicable provisions of Chapter 16, Article 13, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Local Note is issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Local Note has been authorized by a bond and note ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing municipality, with full power and authority to construct, acquire, operate and maintain the Project and to issue and sell the Local Note and, subsequently, the Local Bond, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Local Note and has duly authorized the subsequent issuance of the Local Bond.

5. The Local Note is a valid and legally enforceable special obligation of the Governmental Agency, payable from the proceeds of the Local Bond and from the net revenues of the System and secured by a pledge of the proceeds of the Local Bond and a lien on and pledge of the net revenues of the System, all in accordance with the terms of the Local Note and the Local Act, and has been duly issued and delivered to the Authority.

6. The Governmental Agency has covenanted and made provisions to issue the Local Bond to refund the Local Note, which Local Bond shall comply in all respects with the requirements set forth in the Loan Agreement.

7. The conditions of Section 4.2 of the resolution adopted by the Authority on May 12, 1980, pursuant to which the bond anticipation notes of the Authority were issued, have been satisfied.

8. The Local Note and the interest thereon are, by statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Note is exempt from Federal income taxation.

We have examined executed Local Note numbered N-1, and in our opinion the form of said note and its execution are regular and proper.

Very truly yours,

EXHIBIT A-2

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to the Town of New Haven (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement (the "Loan Agreement"), dated _____, 19__, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of revenue bonds of the Governmental Agency, dated _____, 19__ (the "Local Bond"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement, in the principal amount of $_____, issued in the form of one coupon bond registered as to principal to the Authority, bearing interest payable _____ and _____ of each year, beginning _____, 19__, at the respective rate or rates and with principal payable in installments on _____ in each of the years all as follows:

Year	Installment	Interest Rate

The Local Bond is issued for the purpose of refunding the bond anticipation note of the Governmental Agency, dated _____, 19__, and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Local Bond is issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Local Bond has been authorized by a bond and note ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those required by Section 6.1, and set forth in Section 4.1, of the Loan Agreement. The Local Bond is 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 that:

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

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

3. The Governmental Agency is a duly organized and presently existing municipality, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Local Bond, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Local Bond.

5. The rates, fees and other charges for the services and facilities of the system referred to in the Local Act are not subject to approval by the West Virginia Public Service Commission.

6. The Local Bond is a valid and legally enforceable special obligation of the Governmental Agency, payable from the net revenues of the system referred to in the Local Act and secured by a lien on and pledge of the net revenues of the system referred to in the Local Act, all in accordance with the terms of the Local Bond and the Local Act, and has been duly issued and delivered to the Authority.

7. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bond, as provided in the Local Act.

8. The Local Bond and the interest thereon are, by statute, exempt from all taxation by the State of West Virginia and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

or any County, municipality, political subdivision or agency thereof,

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

Very truly yours,

Exhibit B

Description of Project

The Step III project consists of expanding the Town of New Haven's collection system and enlarging the present primary wastewater plant to a 0.4 mgd contact stabilization secondary treatment plant.

Resolution

Introduced in Council

July 28, 1981

Adopted by Council

Introduced by

A Resolution supplementing and amending an ordinance entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, and as supplemented on August 4, 1980; authorizing the renewal of $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980, of the Town of New Haven by the issuance by said Town in exchange therefor of $451,000 in principal amount of a Sewer System Bond Anticipation Renewal Note, 1981 Series A; and providing for the issuance by said Town of certain additional notes, on a parity with said Sewer System Bond Anticipation Renewal Note, 1981 Series A, to satisfy the interest coming due thereon.

WHEREAS, by an ordinance entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the

rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of the Town of New Haven, West Virginia (the "Town"), on July 8, 1980, as amended on July 22, 1980, and as supplemented on August 4, 1980 (the "Ordinance"), there were authorized and issued by the Town $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980 (the "Note"), which Note was purchased by the West Virginia Water Development Authority (the "Authority") pursuant to a Loan Agreement, dated August 11, 1980, between the Town and the Authority (the "Agreement"); and

WHEREAS, the Note matured on June 1, 1981; and

WHEREAS, in accordance with Subsection 4.1(b)(iii) of the Agreement and pursuant to Section 7.01 of the Ordinance and to the terms of the Note, the Authority was authorized to renew the Note for a period not to exceed one year at interest rates to be established by the Authority and authorized by a resolution supplemental to the Ordinance; and

WHEREAS, the Authority has exercised such option by a letter dated June 1, 1981, a copy of which is attached as Exhibit A hereto and incorporated herein by reference; and

WHEREAS, it is in the best interests of the Town and the inhabitants thereof to honor the exercise of the Authority's option, to renew the Note until May 31, 1982, to issue a renewal Note to exchange with the Note, to provide for the satisfaction of interest payments coming due on the renewal Note, to the extent such interest is not payable from the net revenues derived from the operation of the Town's sewerage system, of which the water development project financed with the proceeds of the Note is a part (the "System"), or from other funds of the Town available therefor, by the issuance and delivery to the Authority of additional notes on a parity with said renewal Note and to amend the Ordinance to provide for such issuance;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA, as follows:

1. In accordance with Subsection 4.1(b)(iii) of the Agreement and pursuant to Section 7.01 of the Ordinance and to the terms of the Note, the Note is hereby ordered renewed, and there shall be issued in exchange for such Note a renewal Note, designated "Sewer System Bond Anticipation Renewal Note, 1981 Series A," in the principal amount of $451,000 (the "Renewal Note"), representing the aggregate principal amount of the Note that matured on June 1, 1981.

2. If and when authorized by a resolution supplemental hereto, and to the extent interest on the Renewal Note or on any previously issued Additional Note, as hereinafter defined, is not payable from the net revenues derived from the operation of the System, or from other funds of the Town available therefor, there shall be issued and delivered to the Authority from time to time additional notes, on a parity as to lien and source of and security for payment with the Renewal Note, designated "Sewer System Bond Anticipation Renewal Note," of the series to be determined by said supplemental resolution (the "Additional Notes").

3. The Renewal Note shall be dated June 1, 1981, and shall bear interest from the date thereof to the date of maturity thereof at the rate of eight percent (8%) per annum, payable on August 28, 1981, for interest to September 1, 1981, on November 27, 1981, for interest to December 1, 1981, on February 26, 1982, for interest to March 1, 1982, and on May 28, 1982, for interest to May 31, 1982. Any Additional Note shall be dated the date of delivery thereof and shall bear interest from the date thereof to the date of maturity thereof at the rate and, to the extent applicable, payable on the dates and for the periods specified above for the Renewal Note.

4. Interest on the Renewal Note and on any Additional Note shall, to the extent possible, be paid from the net revenues derived from the operation of the System or from other funds of the Town available for such payment. To the extent the Town is unable to pay interest on the Renewal Note or on any Additional Note from such sources, and the Authority has consented thereto, the Town shall issue and deliver to the Authority, as full or partial satisfaction of such interest then coming due, an Additional Note as provided above. Notwithstanding any of the foregoing, interest accrued on the Renewal Note or on any Additional Note after six (6) months after completion of construction or acquisition of the water development project financed with the proceeds of the Note must be paid from the net revenues derived from

the operation of the System, and the Town hereby pledges to make such payment from such net revenues.

5. The Renewal Note and any Additional Note shall mature on May 31, 1982.

6. The Renewal Note shall be issued in fully registered form and otherwise in substantially the form attached as Exhibit B hereto and incorporated herein by reference, and any Additional Note shall be issued in fully registered form and otherwise in substantially the form attached as Exhibit C hereto and incorporated herein by reference.

7. Except as provided above, the Renewal Note and each Additional Note shall be subject to the terms, provisions, security and covenants provided in the Ordinance, as hereinafter amended, for the Note.

8. The Mayor and Town Recorder of the Town are hereby authorized and directed to execute, seal and deliver the Renewal Note and to take any other actions and execute and deliver any other documents necessary and proper in connection with such execution and delivery of the Renewal Note.

9. Section 6.07 of the Ordinance is hereby amended and re-enacted to read as follows:

> Section 6.07. <u>Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances</u>. The Town shall not issue any other obligations whatsoever, payable from the proceeds of the Bonds or the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such proceeds or revenues with the Notes or the Bonds; provided, that additional notes on a parity with the renewal note provided for in Section 7.01 hereof may be issued as authorized by the Authority; and provided, further, that additional bonds on a parity with the Bonds may be issued as provided for in Section 6.08 hereof. All obligations hereafter issued by the Town payable from the revenues of the System, except such additional parity notes or 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 Notes and the Bonds; provided, however, that no such subordinate obligations shall be issued unless the Reserve Account in the Sinking Fund is funded to the extent that no further payments are required thereto as provided in Section 4.01(A)(2).

Except as provided above, the Town 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 Notes or the Bonds, as the case may be, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Notes or the Bonds, as the case may be, and the interest thereon in this Ordinance, or upon the System or any part thereof or, with respect to the Notes, upon the proceeds of the Bonds originally issued pursuant to this Ordinance.

10. If any paragraph, clause or provision of this resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this resolution or of the Ordinance, as supplemented and amended hereby.

11. This resolution shall take effect immediately upon adoption.

Exhibit A

Attach letter, dated June 1, 1981, from the West Virginia Water Development Authority.

Exhibit B

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SEWER SYSTEM BOND ANTICIPATION RENEWAL NOTE,
1981 SERIES A

No. NR-1 $451,000

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), for value received, hereby promises to pay, from the proceeds of certain Subordinate Sewer Revenue Bonds to be hereafter issued by the Town, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or its registered assigns, on the thirty-first day of May, 1982, the sum of Four Hundred Fifty-one Thousand Dollars ($451,000). Interest on said sum is payable from the date hereof at the rate of eight percent (8%) per annum on the 28th day of August, 1981, for interest to September 1, 1981, on the 27th day of November, 1981, for interest to December 1, 1981, on the 26th day of February, 1982, for interest to March 1, 1982, and on the 28th day of May, 1982, for interest to May 31, 1982, solely from the special funds provided therefor, as hereinafter set forth. The principal of this Note is payable in any coin or currency which, on the date of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through the Mason County Bank, New Haven, West Virginia; provided, however, that, if the Authority is the registered owner hereof, at the option of the Authority the principal of this Note may be paid by exchanging this Note with the aforementioned Subordinate Sewer Revenue Bonds. The interest on this Note is payable by check or draft mailed to the registered owner hereof at its address as it appears on the Note Register hereinafter provided for.

So long as the Authority is the registered owner hereof, this Note is subject to call on demand of the Authority upon fourteen (14) days' written notice to the Town. This Note is not prepayable or redeemable at the option of the Town.

This Note is a renewal of the Town's $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, dated August 11, 1980 (the "Prior Note"), which Prior Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements (the "Project") to the municipal sewage system (the "System") of the Town pending the issuance of certain Subordinate Sewer Revenue Bonds as described below, all under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as supplemented and amended on July 28, 1981 (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. Such renewal was specifically authorized by Section 7.01 of the Ordinance and said supplemental and amendatory resolution adopted on July 28, 1981 (the "Resolution").

This Note is issued in anticipation of certain Subordinate Sewer Revenue Bonds of the Town, and the principal of this Note is payable from the proceeds of such Subordinate Sewer Revenue Bonds to be issued at the maturity, or call prior to maturity, of this Note, as authorized by the Ordinance. Issuance of said Subordinate Sewer Revenue Bonds was authorized by the Ordinance, and the Authority has agreed to purchase such Bonds. To the extent the principal of this Note is not paid as provided above, it is payable from, and secured by a lien on, the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town. Interest on this Note is payable from the net revenues derived from the operation of the System and from other funds of the Town available therefor and, to the extent not so payable, from the proceeds of additional notes, on a parity as to lien and source of and security for payment with this Note, to be issued from time to time in accordance with the Resolution; provided, that any interest accrued hereon after six (6) months after completion of construction or acquisition of the Project shall be paid from the net revenues derived from the operation of the System.

This Note does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same or the interest hereon except from

the proceeds of the Subordinate Sewer Revenue Bonds, said additional notes on a parity with this Note or from the net revenues derived from the operation of said System or other funds of the Town available therefor. Under the Ordinance, the Town has entered into certain covenants with the registered owner of this Note for the terms of which reference is made to said Ordinance. Remedies provided the registered owner of this Note are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof. This Note is junior, subordinate and inferior as to source of payment and security from, and in all other respects with regard to, the net revenues derived from the operation of the System to $ 106,000 in principal amount of the Town's Sewer Revenue Bonds, dated June 1, 1963, outstanding on the date hereof.

This Note may be transferred only upon the books of the Town which shall be kept for that purpose at the office of the Treasurer of the State of West Virginia (the "Note Register") by an authorized representative of the registered owner hereof in person or by its attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to said Treasurer duly executed by an authorized representative of the registered owner or its duly authorized attorney. This Note is also subject to exchange at the office of said Treasurer. Upon exchange or transfer of this Note, there shall be issued at the option of the registered owner or transferee another fully registered Note or Notes, in the denomination of $5,000 or any integral multiple thereof, of the aggregate principal amount equal to the unpaid amount of the exchanged or transferred Note. For every such exchange or transfer, the Treasurer may make a charge sufficient to reimburse his or her office 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 Note upon such exchange or transfer and any other expenses of said Treasurer incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer; provided, that the Authority shall not be obligated to pay any such sum or sums as a condition precedent. The Treasurer shall not be obliged to make any such exchange or transfer of Notes during the ten (10) days preceding an interest payment date on this Note. Subject to such requirements for transfer, this Note is and has all the incidents of a negotiable instrument under the laws of the State of West Virginia.

This Note and the interest hereon shall be exempt from all taxation by the State of West Virginia or any

county, municipality, political subdivision or agency thereof.

This Note shall be exchanged for the Prior Note upon the maturity thereof, as a renewal thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of the Town, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that the Subordinate Sewer Revenue Bonds described above will be issued to refund this Note.

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

IN WITNESS WHEREOF, the Town of New Haven, West Virginia, has caused this Note to be signed by its Mayor, attested by its Town Recorder and its corporate seal to be hereunto affixed, all as of this 1st day of June, 1981.

_____
Mayor

(SEAL)

ATTEST:

_____
Town Recorder

[Form of assignment]

For value received, the undersigned sells, assigns and transfers unto _____ the Note of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____ _____, attorney to transfer said Note on the Note Register, with full power of substitution in the premises.

_____

Dated: _____

In the presence of:

_____

Exhibit C

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SEWER SYSTEM BOND ANTICIPATION RENEWAL NOTE,
198_ SERIES ___

No. NR-_ $_____

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), for value received, hereby promises to pay, from the proceeds of certain Subordinate Sewer Revenue Bonds to be hereafter issued by the Town, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or its registered assigns, on the thirty-first day of May, 1982, the sum of _____ Dollars ($_____). Interest on said sum is payable from the date hereof at the rate of eight percent (8%) per annum on [the 28th day of August, 1981, for interest to September 1, 1981, on the 27th day of November, 1981, for interest to December 1, 1981, on the 26th day of February, 1982, for interest to March 1, 1982, and on] the 28th day of May, 1982, for interest to May 31, 1982, solely from the special funds provided therefor, as hereinafter set forth. The principal of this Note is payable in any coin or currency which, on the date of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through the Mason County Bank, New Haven, West Virginia; provided, however, that, if the Authority is the registered owner hereof, at the option of the Authority the principal of this Note may be paid by exchanging this Note with the aforementioned Subordinate Sewer Revenue Bonds. The interest on this Note is payable by check or draft mailed to the registered owner hereof at its address as it appears on the Note Register hereinafter provided for.

So long as the Authority is the registered owner hereof, this Note is subject to call on demand of the Authority upon fourteen (14) days' written notice to the Town. This Note is not prepayable or redeemable at the option of the Town.

This Note is issued as full [or partial] satisfaction of the interest coming due on the Town's Sewer System Bond

Anticipation Renewal Note, 1981 Series A (the "Renewal Note"), in the principal amount of $451,000 [, and on certain additional notes of the Town on a parity with the Renewal Note previously issued to satisfy interest payments then coming due]. The Renewal Note was issued as a renewal of the Town's $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, dated August 11, 1980 (the "Prior Note"), which Prior Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements (the "Project") to the municipal sewage system (the "System") of the Town pending the issuance of certain Subordinate Sewer Revenue Bonds as described below, all under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as supplemented and amended on _____, 1981 (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. Such renewal was specifically authorized by Section 7.01 of the Ordinance and said supplemental and amendatory resolution adopted on _____, 1981 (the "Resolution"), and the issuance of this Note was specifically authorized by the Resolution and by a resolution supplemental thereto adopted by the Council of the Town on _____, 198_.

This Note is issued in anticipation of certain Subordinate Sewer Revenue Bonds of the Town, and the principal of this Note is payable from the proceeds of such Subordinate Sewer Revenue Bonds to be issued at the maturity, or call prior to maturity, of this Note, as authorized by the Ordinance. Issuance of said Subordinate Sewer Revenue Bonds was authorized by the Ordinance, and the Authority has agreed to purchase such Bonds. To the extent the principal of this Note is not paid as provided above, it is payable from, and secured by a lien on, the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town. Interest on this Note is payable from the net revenues derived from the operation of the System and from other funds of the Town available therefor and, to the extent not so payable, from the proceeds of additional notes, on a parity as to lien and source of and security for payment with the Renewal Note and this Note, to be issued from time to time in accordance with the Resolution; provided, that any interest accrued hereon, or on any notes on a parity herewith, after six (6) months after completion of construction or acquisition of the Project shall be paid from the net revenues derived from the operation of the System.

This Note does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same or the interest hereon except from the proceeds of the Subordinate Sewer Revenue Bonds, said additional notes on a parity with the Renewal Note and with this Note or from the net revenues derived from the operation of said System or other funds of the Town available therefor. Under the Ordinance, the Town has entered into certain covenants with the registered owner of this Note for the terms of which reference is made to said Ordinance. Remedies provided the registered owner of this Note are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof. This Note is junior, subordinate and inferior as to source of payment and security from, and in all other respects with regard to, the net revenues derived from the operation of the System to $_____ in principal amount of the Town's Sewer Revenue Bonds, dated June 1, 1963, outstanding on the date hereof.

This Note is on a parity, as to lien and source of and security for payment with certain other Sewer System Bond Anticipation Renewal Notes of the Town, outstanding on the date hereof in the aggregate principal amount of $_____.

This Note may be transferred only upon the books of the Town which shall be kept for that purpose at the office of the Treasurer of the State of West Virginia (the "Note Register") by an authorized representative of the registered owner hereof in person or by its attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to said Treasurer duly executed by an authorized representative of the registered owner or its duly authorized attorney. This Note is also subject to exchange at the office of said Treasurer. Upon exchange or transfer of this Note, there shall be issued at the option of the registered owner or transferee another fully registered Note or Notes, in the denomination of $5,000 or any integral multiple thereof, of the aggregate principal amount equal to the unpaid amount of the exchanged or transferred Note. For every such exchange or transfer, the Treasurer may make a charge sufficient to reimburse his or her office 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 Note upon such exchange or transfer and any other expenses of said Treasurer incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer; provided, that the Authority shall not be obligated to pay any such sum or sums as a condition precedent. The Treasurer shall not be obliged to make any

such exchange or transfer of Notes during the ten (10) days preceding an interest payment date on this Note. Subject to such requirements for transfer, this Note is and has all the incidents of a negotiable instrument under the laws of the State of West Virginia.

This Note and the interest hereon shall be exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Note shall be delivered to the Authority as full [or partial] satisfaction of the interest payment on the Renewal Note [and said additional notes previously issued on a parity therewith] coming due on _____, 198_.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of the Town, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that the Subordinate Sewer Revenue Bonds described above will be issued to refund this Note.

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

IN WITNESS WHEREOF, the Town of New Haven, West Virginia, has caused this Note to be signed by its Mayor, attested by its Town Recorder and its corporate seal to be hereunto affixed, all as of this _____ day of _____, 198_.

_____
Mayor

(SEAL)

ATTEST:

_____
Town Recorder

[Form of assignment]

For value received, the undersigned sells, assigns and transfers unto _____ the Note of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____ _____, attorney to transfer said Note on the Note Register, with full power of substitution in the premises.

_____

Dated: _____

In the presence of:

_____

Resolution

Introduced in Council

Introduced by

_____

_____

Adopted by Council

_____

A Resolution supplementing a resolution entitled "A Resolution supplementing and amending an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, and as supplemented on August 4, 1980; authorizing the renewal of $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980, of the Town of New Haven by the issuance by said Town in exchange therefor of $451,000 in principal amount of a Sewer System Bond Anticipation Renewal Note, 1981 Series A; and providing for the issuance by said Town of certain additional notes, on a parity with said Sewer System Bond Anticipation Renewal Note, 1981 Series A, to satisfy the interest coming due thereon"; and authorizing the issuance and delivery to said Authority of $_____ in principal amount of a Sewer System Bond Anticipation Renewal Note, 198_ Series _.

WHEREAS, by a resolution entitled "A Resolution supplementing and amending an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal

sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, and as supplemented on August 4, 1980; authorizing the renewal of $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980, of the Town of New Haven by the issuance by said Town in exchange therefor of $451,000 in principal amount of a Sewer System Bond Anticipation Renewal Note, 1981 Series A; and providing for the issuance by said Town of certain additional notes, on a parity with said Sewer System Bond Anticipation Renewal Note, 1981 Series A, to satisfy the interest coming due thereon," duly adopted by the Council of the Town of New Haven, West Virginia (the "Town"), on _____, 1981 (the "Original Resolution"), which Original Resolution supplemented and amended an ordinance enacted by the Council of the Town on July 8, 1980, as amended on July 22, 1980, and as supplemented on August 4, 1980, there was authorized and issued by the Town a Sewer System Bond Anticipation Renewal Note, 1981 Series A (the "Renewal Note"), in the principal amount of $451,000; and

WHEREAS, there were also authorized to be issued from time to time additional notes, on a parity as to lien and source of and security for payment with the Renewal Note (the "Additional Notes"), to the extent interest on the Renewal Note or on any Additional Note previously issued is not payable from the net revenues derived from the operation of the System, as defined in the Original Resolution, or from other funds of the Town available therefor; and

WHEREAS, the Town does not have net revenues derived from the operation of the System sufficient to pay interest on the Renewal Note [and on the Sewer System Bond Anticipation Renewal Note, 198_ Series _,] coming due on _____, 198_, to the extent of $_____, and

there are no other funds of the Town available for such payment; and

WHEREAS, the Original Resolution provided that any Additional Note be particularly authorized by a resolution supplemental thereto;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA, as follows:

1. An Additional Note, to be designated "Sewer System Bond Anticipation Renewal Note, 198_ , Series __, shall be issued in the aggregate principal amount of $_____; shall be dated the date of delivery thereof; and shall bear interest from the date thereof to the date of maturity thereof at the rate of eight (8%) percent per annum, payable on [August 28, 1981, for interest to September 1, 1981, on] [November 27, 1981, for interest to December 1, 1981, on] [February 26, 1982, for interest to March 1, 1982, and on] May 28, 1982, for interest to May 31, 1982.

2. Said Additional Note shall be on a parity as to lien and source of and security for payment with the Renewal Note [and other Additional Notes] of the Town, outstanding on the date hereof in the aggregate principal amount of $_____.

3. The remaining terms of the Original Resolution shall apply to the Additional Note specifically authorized hereby.

4. Said Additional Note shall be issued and delivered to the Authority as soon as practicable after the Authority consents to the purchase thereof, but in no event later than _____, 198_, and the Mayor and Town Recorder of the Town are hereby authorized and directed to execute, seal and deliver said Additional Note and to take any other actions and execute and deliver any other documents necessary and proper in connection with such execution and delivery of said Additional Note.

5. This resolution shall take effect immediately upon adoption.

RESOLUTION

Introduced in Council

June 8, 1982

Adopted by Council, as amended

June 8 1982

Introduced by

Harry Hoffman

A Resolution supplementing an ordinance entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as further supplemented and amended on July 28, 1981, and accepting said Water Development Authority's extension of the stated maturity date of said Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A, from May 31, 1981, to November 30, 1982.

WHEREAS, by a resolution entitled "A Resolution supplementing and amending an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such

Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, and as supplemented on August 4, 1980; authorizing the renewal of $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980, of the Town of New Haven by the issuance by said Town in exchange therefor of $451,000 in principal amount of a Sewer System Bond Anticipation Renewal Note, 1981 Series A; and providing for the issuance by said Town of certain additional notes, on a parity with said Sewer System Bond Anticipation Renewal Note, 1981 Series A, to satisfy the interest coming due thereon" (the "Renewal Note Resolution"), adopted by the Council of the Town of New Haven, West Virginia (the "Town"), on July 28, 1981, there was authorized and issued to the West Virginia Water Development Authority (the "Authority"), the Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A (the "Renewal Note"); and

WHEREAS, the Renewal Note was issued in accordance with Subsection 4.1(b)(iii) of the Loan Agreement, dated August 11, 1980, between the Town and the Authority (the "Loan Agreement"), and Section 7.01 of said ordinance enacted by the Council of the Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as further supplemented and amended by the Renewal Note Resolution (collectively, the "Local Act"); and

WHEREAS, the Renewal Note, outstanding in the principal amount of $451,000, was scheduled to mature on May 31, 1982; and

WHEREAS, the Authority, by letter dated May 24, 1982, a copy of which is attached as Exhibit A hereto and incorporated herein by reference (the "Extension Letter"), has extended the stated maturity of the Renewal Note to November 30, 1982, and has expressly waived any event of default under the Local Act, the Loan Agreement or the Renewal Note for nonpayment of the Renewal Note on May 31, 1982, upon the terms set forth in the Extension Letter; and

WHEREAS, it is in the best interests of the Town and the inhabitants thereof to accept said extension and waiver, and the terms thereof;

NOW, THEREFORE, Be It Resolved by the Council of the Town of New Haven, West Virginia, as follows:

1. The Authority's extension of the stated maturity of the Renewal Note from May 31, 1982, to November 30, 1982, its waiver of an event of default under the Local Act, the Loan Agreement and the Renewal Note and the terms thereof, all as set forth in the Extension Letter, are hereby accepted.

2. The Mayor's execution of the duplicate of the Extension Letter, and the Clerk's return of such executed duplicate to the Authority is hereby approved and ratified.

3. This Resolution shall take effect immediately upon adoption.

STATE OF WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY
1201 DUNBAR AVENUE
DUNBAR, WV 25064

(304) 348-3612

May 24, 1982

The Town of New Haven,
West Virginia
Town Hall
New Haven, WV 25265

Re: $451,000 Sewer System Bond Anticipation Renewal Note, 1981 Series A, Due May 31, 1982

Gentlemen:

The West Virginia Water Development Authority (the "Authority") is the registered owner of the Sewer System Bond Anticipation Renewal Note, 1981 Series A, dated June 1, 1981 (the "Renewal Note"), in the principal amount of $451,000, of The Town of New Haven, West Virginia (the "Town"). The Renewal Note was issued in accordance with Subsection 4.1(b)(iii) of the Loan Agreement, dated August 11, 1980, between the Town and the Authority (the "Loan Agreement"), and Section 7.01 of the ordinance enacted by the Council of the Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as further supplemented and amended on July 28, 1981 (the "Local Act"), pursuant to said supplemental and amendatory resolution adopted on July 28, 1981 (the "Renewal Note Resolution"). The Renewal Note matures on May 31, 1982.

The Renewal Note is payable from, among other sources, the proceeds of certain sewer revenue bonds to be issued by the Town and sold to the Authority pursuant to the Loan Agreement (the "Local Bonds"). Purchase of the Local Bonds by the Authority was conditioned upon issuance and sale by the Authority of its next series of Water Development Revenue Bonds (Sewage Systems Loan Program).

The Authority anticipates issuing and selling its West Virginia Water Development Authority Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), prior to August 1, 1982. Accordingly, subject to the right of prepayment described below, the Authority hereby extends the stated maturity of the Renewal Note to November 30, 1982, and expressly waives any event of default under the Local Act, the Loan Agreement or the Renewal Note for nonpayment of the Renewal Note on May 31, 1982.

Exhibit A

The Renewal Note shall continue to bear interest until paid in full at the rate of eight percent (8%) per annum, payable on August 30, 1982, for interest to September 1, 1982, and on November 30, 1982, for interest to such date.

Notwithstanding any of the foregoing, the Town may issue and sell its Local Bonds to the Authority at any time after issuance of the 1982 Series A Bonds, and prior to November 30, 1982, when the Town complies with the conditions precedent set forth in the Loan Agreement. Upon delivery to the Authority of the Local Bonds in the requisite principal amount, interest will cease to accrue on the Renewal Note, and said Renewal Note, together with any interest thereon payable from Local Bond proceeds, must be paid in full.

Except as set forth above, all terms and provisions of and security for the Renewal Note shall be as provided in the Renewal Note Resolution.

Please signify your acceptance of the extension and waiver, and terms thereof, set forth above by executing the duplicate of this letter enclosed and returning it to the Authority, together with a certified copy of the resolution and the opinion of Bond Counsel described below, prior to May 31, 1982, if possible, but in no event later than June 8, 1982. A form resolution authorizing such acceptance and a form of opinion as to the validity of this agreement have been sent to Jackson, Kelly, Holt & O'Farrell, the Town's Bond Counsel. Upon the Authority's receipt of the executed duplicate of this letter, a certified copy of the authorizing resolution or other official action and the requisite opinion of Bond Counsel, this letter shall become an agreement binding upon both the Authority and the Town.

Very truly yours,

Edgar N. Henry

Edgar N. Henry
Director

Accepted this ___ day of _____, 1982.

_____
Mayor, The Town of New Haven

cc: Taunja Willis Miller

P. S. Also prior to June 8, 1982, the Town must enter into a new Loan Agreement with the Authority. Such Loan Agreement has been sent to Bond Counsel, who should be contacting you early this week.

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned WENDY L. DIVERS, Recorder of the The Town of New Haven, West Virginia, hereby certify that the copy of the resolution entitled "A Resolution supplementing an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as further supplemented and amended on July 28, 1981, and accepting said Water Development Authority's extension of the stated maturity date of said Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A, from May 31, 1981, to November 30, 1982," attached hereto is a true and accurate copy of said Resolution as adopted by the Council of the Town of New Haven at a special emergency meeting on June 8, 1982. Said meeting was duly called and held in accordance with the rules of procedure of the Council, and a quorum of Council members was present and acting throughout said meeting.

WITNESS my signature and the seal of The Town of New Haven, West Virginia, this 8th day of June, 1982.

Wendy L. Divers
Recorder, The Town of New Haven

[SEAL]

RESOLUTION

Introduced in Council

June 8, 1982

Adopted by Council

June 8, 1982

Introduced by

A Resolution supplementing and amending an ordinance entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, as further supplemented and amended on July 28, 1981, and as further supplemented on June 8, 1982 and approving the form and execution of a loan agreement with the West Virginia Water Development Authority, which loan agreement supersedes the loan agreement dated August 11, 1980, with said Water Development Authority.

BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA, AS FOLLOWS:

1. Capitalized terms used in this Supplemental Resolution shall, unless the context expressly requires otherwise, have the meanings respectively given them in the ordinance, entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount

of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of the Town of New Haven, West Virginia (the "Town"), on July 8, 1980, as amended thereby on July 20, 1980, as supplemented thereby on August 4, 1980, as further supplemented and amended thereby on July 28, 1981, and as further supplemented thereby on June 8, 1982 (the "Original Ordinance").

2. It is hereby found and determined as follows:

(A) Pursuant to the Original Ordinance and a loan agreement dated August 11, 1980 (the "Prior Loan Agreement"), the Town issued and sold to the Authority its Renewal Note in the principal amount of $451,000, dated June 1, 1981, bearing interest from the date thereof at the rate of eight percent (8%) per annum and maturing on May 31, 1982, which maturity date has been extended to November 30, 1982;

(B) The Renewal Note is payable from, among other sources, the proceeds of the Bonds authorized by the Original Ordinance, which Bonds are to be issued and sold to the Authority in accordance with Subsection 4.1(b)(vi) and other provisions of the Prior Loan Agreement;

(C) Under the Prior Loan Agreement, the Bonds are to be purchased by the Authority with a portion of the proceeds of a second series of the its Water Development Revenue Bonds (Sewage Systems Loan Program);

(D) The Authority has indicated that it anticipates issuing and selling its West Virginia Water Development Authority Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), in the very near future and will purchase the Bonds with a portion of the proceeds thereof;

(E) In connection with the issuance of the 1982 Series A Bonds, the Authority has requested that the Town enter into a loan agreement superseding the Prior Loan Agreement;

(F) Accordingly, there has been presented to the Council of the Town a new loan agreement with the Authority, attached as Exhibit A hereto and incorporated herein by reference (the "Loan Agreement"); and

(G) It is in the best interests of the Town, and the inhabitants thereof, that the Loan Agreement be approved in substantially the form of Exhibit A attached hereto, that the Loan Agreement supersede the Prior Loan Agreement and that the Mayor and Recorder of the Town be respectively authorized to execute, seal and deliver the Loan Agreement to the Authority.

3. The Loan Agreement, in substantially the form of Exhibit A attached hereto, superseding the Prior Loan Agreement and authorizing the sale to the Authority of bonds providing proceeds of not less than $326,000 and resulting in annual debt service on said bonds of not in excess of $50,000, is hereby approved.

4. The Mayor of the Town is hereby authorized and directed to execute the Loan Agreement, in substantially the form of Exhibit A hereto; the Recorder of the Town is hereby authorized and directed to seal and attest said Loan Agreement; and said Mayor is hereby further authorized and directed to deliver said Loan Agreement to the Authority on or prior to June 8, 1982.

5. This Supplemental Resolution shall take effect immediately upon its adoption.

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and THE TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act; and

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia to construct, own and operate such a water development project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds and bond anticipation notes or other short-term indebtedness issued by such Governmental Agency; and

WHEREAS, the United States Environmental Protection Agency (the "EPA") has awarded a "Step III" grant offer pursuant to the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, for the construction of a water development project by the Governmental Agency (the "Project") at the location and as more particularly described and set forth in the Application for Loan with attachments and exhibits, dated April 25, 1979, completed by the Governmental Agency and filed with the Authority, as revised and supplemented (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, the Governmental Agency has also received commitments for such other grants, loans and other financial assistance with respect to such water development project as are described and set forth in Schedule A of the Application; and

WHEREAS, the Authority intends to issue its Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), in accordance with the provisions of the Act and the resolution of the Authority duly adopted on November 29, 1978 (the "Bond Resolution"), as supplemented by a series resolution authorizing the 1982 Series A Bonds, the proceeds of such 1982 Series A Bonds to be used by the Authority to purchase the bonds of certain municipalities and public service districts, including the Governmental Agency, which comply with the requirements established by the Authority, subject, however, to the ability of the Authority to sell the 1982 Series A Bonds and to the extent of the availability of the proceeds of such 1982 Series A Bonds; and

WHEREAS, the Governmental Agency has requested a loan from the Authority to be evidenced by revenue bonds issued by the Governmental Agency and purchased by the Authority, the proceeds of such loan to be used by the Governmental Agency to pay the portion of the cost of the Project which is not paid from the sources stated in the Application or to refund certain bond anticipation notes or other short-term indebtedness issued in anticipation of said revenue bonds and any additional costs of the Project not so paid; and

WHEREAS, the Authority has made all findings required by Section 5 of the Act with respect to the Project and is willing to make said loan to the Governmental Agency, subject to the terms and provisions hereinafter contained;

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

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," and "water development project" have the definitions and meanings ascribed to them in the Act; provided, that "water development project" means only a "wastewater facility," as also defined in the Act.

1.2 "Consulting Engineers" means the consulting engineer designated in the Application and any successor thereto.

1.3 "Governmental Agency Bonds" means, collectively, the Local Bonds and the Supplemental Bonds, both as hereinafter defined.

1.4 "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.

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Loan, and which will be purchased by the Authority with a portion of the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.6 "Project" means the water development project hereinabove referred to, to be or being constructed by the Governmental Agency with, among other funds, the proceeds of the WDA Loans, as hereinafter defined, or with the proceeds of the bond anticipation notes or other short-term indebtedness refunded with the proceeds of the WDA Loans, as hereinafter defined.

1.7 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Supplemental Loan, as hereinafter defined, and which will be purchased by the Authority with funds other than the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.8 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds, pursuant to this Loan Agreement.

1.9 "System" means the complete sewage system and works owned by the Governmental Agency and any additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

1.10 "WDA Loans" means, collectively, the Loan and the Supplemental Loan.

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

ARTICLE II

Identification of Project; Ownership of Project; Rights of Access Thereto; Governmental Agency Financing

2.1 The Project undertaken by the Governmental Agency shall generally consist of the acquisition, construction and installation of the facilities described in the Application

constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director) and consistent with the standards set by the West Virginia Water Resources Board for the waters of the State of West Virginia affected thereby.

2.2 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall have such rights of access to the Project site and Project facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the Project pursuant to the pertinent provisions of the Act.

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 such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Governmental Agency Bonds.

ARTICLE III

Conditions to WDA Loans; Issuance of Governmental Agency Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Authority's issuing and delivering the 1982 Series A Bonds and subject to the requirements of Section 3.4 hereof and to the fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be a date mutually agreed upon by the Authority and the Governmental Agency and which date shall not be prior to one (1) business day before the scheduled maturity of the Governmental Agency's bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, if any (or earlier redeption date thereof if such notes or other short-term indebtedness are in fact called for redemption), nor later than twenty-seven (27) months from the date the 1982 Series A Bonds are delivered to the initial purchasers thereof; provided that, if such Local Bonds are not delivered on or before the date so mutually agreed upon, the Authority may use monies for the purchase of local bonds of

other governmental agencies in accordance with 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 delivered to the Authority for purchase the Governmental Agency Bonds described in Section 3.2 hereof;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application;

(d) The Governmental Agency shall have obtained all requisite orders of and approvals from the West Virginia Public Service Commission necessary for the issuance of the Governmental Agency Bonds, construction of the Project and imposition of the rates required to comply with the provisions of Subsection 4.1(b)(iii) hereof and shall have taken any other action required for the imposition of such rates;

(e) The Governmental Agency shall have obtained all requisite permits necessary for the construction of the Project from the EPA and the West Virginia Department of Natural Resources;

(f) The Governmental Agency shall have obtained a Step III grant offer from the EPA; and

(g) The Governmental Agency shall have received a certificate, in form and substance satisfactory to the Authority, from the consulting engineer designated by the Authority, regarding the engineering report for the Project.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the WDA Loans to the Governmental Agency and the Governmental Agency shall accept the WDA Loans 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 WDA Loans by purchasing the Governmental Agency Bonds in the principal amount set forth on Schedule X hereto and providing proceeds of not less than $326,000, such Governmental Agency Bonds to consist of a mix of Local Bonds and Supplemental Bonds as will result in annual debt service on the Governmental Agency Bonds, together with the outstanding indebtedness set forth on Schedule X, of not in excess of $50,000. The Local Bonds will be purchased by the

Authority at a price of not less than seventy percent (70%) of the principal amount thereof, and the Supplemental Bonds will be purchased by the Authority at a price equal to one hundred percent (100%) of the principal amount thereof, all as more particularly set forth on Schedule X hereto. The Local Bonds and the Supplemental Bonds shall be issued and sold to the Authority simultaneously. The Governmental Agency represents that the proceeds of the Governmental Agency Bonds will, together with the funds from the sources set forth in the Application, including any bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, and any other funds available to the Governmental Agency and approved by the Authority, pay the entire cost of the Project and refund said bond anticipation notes or other short-term indebtedness.

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

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the sale and the availability of proceeds of the 1982 Series A Bonds at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement and to the right of the Authority to make such loans to other governmental agencies as in the aggregate shall permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the 1982 Series A Bonds.

3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to issue additional Supplemental Bonds in principal amount equal to such deficiency (as determined by the Authority) and sell such additional Supplemental Bonds to the Authority and assign the proceeds thereof to the Authority, which shall use such proceeds to reimburse itself for such deficiency.

ARTICLE IV

Governmental Agency Bonds; Security for WDA Loans; Repayment of WDA Loans; Interest on WDA Loans; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the WDA Loans, authorize

the issuance of and issue the Governmental Agency Bonds pursuant to an official action of the Governmental Agency in accordance with the applicable statute of the State of West Virginia (the "Local Act"), which shall, as enacted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly first to pay operation and maintenance expenses of the System; second, to the extent not otherwise limited by an outstanding local ordinance or resolution, to provide debt service on the Local Bonds, which shall include the establishment of a reserve account for the payment of the Local Bonds into which shall be deposited an amount equal to 20% of all amounts required to be deposited for debt service until such reserve account equals the maximum amount of principal and interest which will come due on such Local Bonds in any year; third, to create a renewal and replacement, or similar, fund in an amount equal to 2-1/2% of the gross revenues from the System, exclusive of the 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 aforesaid reserve account; and, fourth, to pay debt service on the Supplemental Bonds or to purchase Local Bonds on the open market, or to redeem Local Bonds, or to pay debt service on obligations junior and subordinate to the Local Bonds (other than the Supplemental Bonds). The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Governmental Agency Bonds shall be secured by the net revenues from the System;

(ii) That the Supplemental Bonds shall be subordinate to the Local Bonds as to lien and source of payment.

(iii) 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 reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required for debt service on all obligations, including the Governmental Agency Bonds, payable from the revenues of the System;

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

(v) That 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 Governmental Agency Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(vi) 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 financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing;

(vii) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

(ix) That any bondholder 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 Governmental Agency Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(x) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(xi) That, in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xii) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xiii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiv) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xvi) That, except to the extent used to refund notes or other short-term indebtedness issued in anticipation thereof, the proceeds of Governmental Agency Bonds, except for accrued interest, must be deposited in a construction fund on which the holder of the Governmental Agency Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, 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 A.

4.2 The WDA Loans shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are described in Schedule X hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the WDA Loans shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto, and interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or

rates per annum borne by the 1982 Series A Bonds for corresponding maturities issued to provide the funds to make the Loan; provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. The Supplemental Loan will not bear interest.

4.5 The Governmental Agency Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the 1982 Series A Bonds. Such administrative expenses shall be as determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such revenue bonds.

4.7 As long as the Authority is the registered owner of all of the Governmental Agency Bonds outstanding, the Governmental Agency will not redeem such Governmental Agency Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's 1982 Series A Bonds and the redemption premium payable on the 1982 Series A Bonds redeemable as a consequence of such redemption of Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its 1982 Series A Bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

Acquisition of Site of Eligible Project; Certain Construction Requirements

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

5.2 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and

the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the administration of the WDA Loans or of Federal and State grants or other sources of financing for the Project.

5.3 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.

5.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders 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.

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

ARTICLE VI

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

6.1 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 WDA Loans, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, of which the Project constitutes a whole or a part, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(iii) hereof.

6.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Bonds, from the date of the default until the date of the payment thereof.

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

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

ARTICLE VII

Other Agreements of the Governmental Agency

7.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges

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

7.2 To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for Federal financial assistance for pollution abatement in order to maximize the amounts of such Federal financial assistance received or to be received for all water development projects in the State of West Virginia.

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

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

7.5 The Governmental Agency hereby covenants that, to the extent the proceeds of the Governmental Agency Bonds are used to refund notes or other short-term indebtedness of the Governmental Agency issued in anticipation of the issuance of the Governmental Agency Bonds (the "refunding proceeds"), the yield to the Governmental Agency upon any investment of the refunding proceeds shall be restricted and may in no event exceed the yield on the Governmental Agency Bonds. "Yield" shall be calculated in the manner provided in Treasury Regulations §§ 1.103-13 and 1.103-14.

ARTICLE VIII

Maintenance and Operation

8.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Loan Agreement.

8.2 The Governmental Agency agrees that it will permit the Authority and EPA and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project and commencement of operation thereof.

ARTICLE IX

Miscellaneous

9.1 Schedule X shall be attached to this Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act.

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

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

9.4 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.

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

9.6 The Governmental Agency hereby agrees to cooperate with the Authority in amending this Loan Agreement if required by the terms of sale of the 1982 Series A Bonds; provided, that the maximum annual debt service set forth in Section 3.2 shall not be increased by more than five percent (5%).

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 Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

THE TOWN OF NEW HAVEN

(SEAL) By _____
Its Mayor

Attest: Date: _____

_____
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL) By _____
Its Director

Attest: Date: _____

_____
Its Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

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

Year	Installment	Interest Rate

The series of Governmental Agency Bonds described in the Loan Agreement as the Supplemental Bonds is in the principal amount of $_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year	Installment

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

We have also examined the applicable provisions of Chapter 16, Article 13, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Governmental Agency Bonds are issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing municipality, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Governmental Agency Bonds, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Governmental Agency Bonds.

5. The rates, fees and other charges for the services and facilities of the system referred to in the Local Act are not subject to approval by the Public Service Commission of West Virginia.

6. The Governmental Agency Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the system referred to in the Local Act and secured by a lien on and pledge of the net revenues of the system referred to in the Local Act, all in accordance with the terms of the Governmental Agency Bonds and the Local Act, and have been duly issued and delivered to the Authority.

7. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bond, as provided in the Local Act.

8. The Governmental Agency Bonds and the interest on the Local Bonds are, by statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

We have examined executed Local Bond numbered R-1 and Supplemental Bond numbered S-1, and in our opinion the form of said bonds and their execution are regular and proper.

Very truly yours,

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned WENDY L. DIVERS, Recorder of The Town of New Haven, West Virginia, hereby certify that the copy of the resolution entitled "A Resolution supplementing an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, as further supplemented and amended on July 28, 1981, and as further supplemented on June 8, 1982 and approving the form and execution of a loan agreement with the West Virginia Water Development Authority, which loan agreement supersedes the loan agreement dated August 11, 1980, with said Water Development Authority," attached hereto is a true and accurate copy of said Resolution as adopted by the Council of the Town of New Haven at a special emergency meeting on June 8, 1982. Said meeting was duly called and held in accordance with the rules of procedure of the Council, and a quorum of Council members was present and acting throughout said meeting.

WITNESS my signature and the seal of The Town of New Haven, West Virginia, this 8th day of June, 1982.

Wendy L. Divers
Recorder, The Town of New Haven

[SEAL]

AUGUST 31,1982

Council met in delayed session August 30,at 7:00 pm. Council present were Francis Taylor, Ronnie Zerkle, Harry Hoffman, Sarah Gibbs, Jack Hesson. Mayor Grayson Williamson and recorder Connie Ball. Others present were Roger Roush, Leonard Fields, Raymond Fields, Kyle Marshall Bernard Leiving, Michael Fields Toby Oldaker and Clyde Weaver.

A motion was made by Ronnie Zerkle and seconded by Harry Hoffman to accept the minutes of the previous minutes. Motion Carried. The financial report was as follows: General Fund- $ 1634.68, Water Dept. - $ 5860.23 . Sewer Dept. - $21,942.89 . Savings accounts, Coal Severence, $ 7441.27, Sewer System, $ 3348.98 , Money Markets, $ 20,000 Revenue Sharing $ 7974.39. Recreation Center, 164.77. A motion was made by Francis Taylor and seconded by Sarah Gibbs to accept the financial statement. Motion carried.

The mayor suggested a motion be made to purchase another money market certificate out of the sewer dept. A motion was made by Francis Taylor and seconded by Sarah Gibbs. Motion carried. At this time council recessed into executive session.

The meeting was brought to order by Mayor Grayson Williamson. At this time a buildi permit submitted by Toby Oldaker was brought before council. A motion was made by Jack Hesson and seconded by Ronnie Zerkle that the permit be approved. Motion carried.

The zoning Commission had before council 4 letters. They were tabled until the' next regularely scheduled meeting. They were Exhibits, A,B,C and D. Jack Hesson stated that he did not understand these exhibits clearly and wanted to review them before they were voted upon. The motion to table these exhibits was Jack Hesson and seconded by Ronnie Zerkle. Motion Carried.

Sarah suggested that we contact Ron Stein to come to a meeting and explain our Zoning ordiances to the Council and Zoning Commission.

Payment [illegible] estimate # 20 for $ 602.84 and Pay [illegible] # 19 for $ 6037.30 , payable to Miami Valley was submitted before the council. Jack Hesson made a motion and was seconded by Harry Hoffman to give the mayor the authority to pay these bills. Motion carried.

The ordiances sent to the town by Tanjua Willis Miller , was read by the recorder. Jack Hesson made a motion that we accept the first reading of these ordiances. The motion was seconded by Francis Taylor. Motion carried.

The Mayor presented befor Council several Leins that he had recieved from Ron Stei against the people who have not yet tapped into the sewer system. A motion was made to sign the leins and have them recorded by Francis Taylor and seconded by Harry Hoffman. Motion carried.

Jack Hesson brought up several problems concerning the streets in town . The side walk by Ray weavers has a large hole in it around the sewer lid. The road by Arthur Smiths is caving in and Jack said he would check with the state to see if they would

put in a culvert to run along Layne Street, and the town would cover it up.

Raymond and Leonard Fields were befor council concerning the water drainage problem that has arisen in around their property lots. Raymond states that he dumped some dirt to fill in a low place on his property and now the neighbors say it is flooding their property. Raymond says that the Land has been surveyed and the dificulty lies on Larry Gillands property. Apparently Gillands have filled in a place on their property that is higher than the surrounding area was originaly, and now the water dumps in on Kirbys property. Raymond and Leonard both said that the town did a marvelous job on the work they did along the street. Jack said that him and Harry would contact Chuck Zerkle concerning this problem and talk to all the property owners and try and get the problem worked out. A motion was made by Jack Hesson and seconded by Ronnie Zerkle to Contact Chuck Zerkle and get the problem selved. Motion carried.

Jack also talked on the ditch that runs off the hill along Main street. The street is caving in ,besides all the debris that comes from slippage ultimately runs into the ditching system on 7th street. The state will be contacted about the problem. He also said he would like to see a new ditch run from the new apartments clear to the park.

Bernard Leiving was before the town saying the the tiles on Lewis Street were filled up and would to have something done with them. The Mayor said that we have permission to clean out the ditchs on that street to Harold Fry's.

It was decided that the State should be respomsible for fixing the sidewalk in front of Ray Weavers house, sinceit is on their right of way .

Jack asked for permission to patch 2 small holes in frontof Caroll Adams property. He also stated the need for a light on the new bridge in town across Layne Street. The bridge has no lighting system at all.

Francis Taylor Toby Oldaker and Connie Ball all talked about the bad water drainage on 1st street. Jack said he would look into it.

A letter was read from Howard Teft, of VTN concerning Miami Valley Contractors. A decision on this was tabled until the next meeting.

Kyle Marshall was before council wanting to know why the Zuspan building permit had been approved without sufficent information. The recorder was instructed to write Mr. Zuspan and have him submitt his plans.

The Mayor asked council members how they enjoyed thir trip to Morgantown, W. Va. for the 1982 Annual Municipial Leauge Confrence. Everyone said that it was well worth the time and effort to go. The Municipial Leauge is a great help in helping small towns learn new and better ways to better their own indivual towns. THe workshops set up for anyone wanting to learn about city government were very good.

A motion was made by Ronnie Zerkle and seconded by Harry Hoffman to adjourn. The next meetin will be Sept.13,1982.

September 14,1982

Council met in regular session ~~August~~ Sept. 13,1982 at 7:00 pm. Council present were Francis Taylor, Ronnie Zerkle, Harry Hoffman, and Sarah Gibbs. Mayor Grayson Williamson, and reco Connie Ball. Others present were, Taunja Willis Miller, Chuck Zerkle, Karl Wiles, Shelma Jones, . Sandy Capehart, and Mike Fields.

A motion was made by Harry Hoffman to accept the reading of the previous minutes, and was seconded by Sarah Gibbs. Motion carried. The financial report was as follows, General Aacount, $ 540.23, Water Dept. $ 4620.82, Sewer Dept. $ 12,720.42, Coal Severence Fund, 7441.27, Sewer System,Fund, 3348.98, Money Market Certificates, 20,000.00, and Revenue Sharing, 7974.39. A motion was made by Ronnie Zerkle, and seconded by Francis Taylor to accept the financial report. Motion carried. A motion was made by Francis Tayl to recend the previous motion made by Ronnie Zerkle concerning purchasing a Money Market certificate out of the Sewer System Account. The motion was seconded by Ronnie Zerkle. Motion Carried.

The second reading was read on the Sewer Revenue Bonds by Taunja Willis Miller. A motio was made by Francis Taylor, and seconded by Harry Hoffman to accept the reading. Motion carried. The supplemental resolution was read by Ms. Miller and a motion was made by Sar Gibbs and Seconded by Ronnie Zerkle to accept the resoultion. Motion carried. Ms. Mille said that she would handle the details on the paper work, and would contact the newspapers concerning publication.

Shelma Jones was before council concerning the water drainage problem on 6th street. She said that since AAA Homebuilders built the road into their property, she has experienc drainage problems. She also stated that the storm sewer on 6th street needs cleaned out. The Mayor assured her that when AAA puts in their permenrat road that this problem would' be alleviated.

Sandy Capehart was before council about having permission to buy her son a mini bike with 3 wheels so as to enable him to take walks with the family. The ~~little~~ boy has no contr over his legs, and must be carried or riden on a bike which he is now to big for. The bi would have a governor on it and would not go over 5 miles an hour. He would never be allo out without an adult. The Mayor and council said it would be ok if Sandy and her husband would sign a release , releasing the town of any liability. She said she would.

Karl submitted 3 invoices before council; # 31366, 31367, 31368.from VTN.$ 3108.80, 68 and 707.55. A motion was made by Harry Hoffman and seconded by Ronnie Zerkle to pay these invoices. Motion Carried.

Pay estimate # 21 was brought before council. VTN wanted the council to give the ok to pay , Miami Valley. A motion was made by Francis Taylor, and seconded by Ronnie Zerkle.

Bill James requested that the town purchase a set of Fire Code books at the cost of 18 The mayor stated that we would split the costs, with the Fire Dept. if he got the ok from the fireman.

The lift station on Layne street was dumping into the river again. The mayor told Mike that this should be taken care of. Mike said that they wanted permission to repair the li station, that it needed new parts. The Mayor and council gave them the ok.

Chuck Zerkle said that he had some premiliary specs on the garbage truck. Chuck and Mi and Ronnie were to go to Milton the next day and check out the garbage truck that was for n Building permits okayed were;

Harry Hoffmans, Motion made by Sarah Gibbs, seconded by Ronnie Zerkle. M.C.
Fredrick Reeds, " " " Francis Taylor, seconded by Harry Hoffman. M.C.
John Grates, " " " Sarah Gibbs, seconded by Francis Taylor. M.C. (pendi

The mayor asked Harry Hoffman to inspect the ditch in front of Cecil Frys house to see raw sewage is running in it.

The problem with the Mason Dispatcher was discussed at length and what would have to be done if the problem is not corrected. It was suggested that we try and find a new dispatc if Betty Sleeth did not fulfill her duties.

A motion was made by Ronnie Zerkle to adjourn, and was seconded by Sarah Gibbs. Motion carried.

AMENDATORY AND SUPPLEMENTAL ORDINANCE

Introduced in Council

August 30, 1982

Referred to

Introduced by

JACK HESSON

Passed by Council

September 13, 1982

An Ordinance amending and supplementing an ordinance entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of the Town of New Haven on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982; authorizing the issuance of said Subordinate Sewer Revenue Bonds as Subordinate Sewer Revenue Bonds, designated Series 1982, in the aggregate principal amount of $295,000, and Supplemental Subordinate Sewer Revenue Bonds, designated Series 1982, in the aggregate principal amount of $89,500; directing the sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to the West Virginia Water Development Authority pursuant to the terms of a loan agreement, dated June 8, 1982, between said Water Development Authority and the Town of New Haven; setting forth certain terms and conditions of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in accordance with said Loan Agreement; and providing for certain other matters in connection with the authorization, issuance and sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, all in accordance with said Loan Agreement.

Be It Ordained by the Council of the Town of New Haven, West Virginia:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. Except as hereinafter set forth or as otherwise required by the context hereof, the terms used in this Amendatory Ordinance shall have the respective meanings given them by the Original Ordinance, as hereinafter defined, as amended hereby.

A. "Amendatory Ordinance" means this ordinance, as from time to time amended or supplemented.

B. "Loan Agreement" means that certain loan agreement, dated June 8, 1982, between the Authority and the Town, a copy of which is attached as Exhibit A hereto and incorporated herein by reference, the form and execution of which Loan Agreement were approved by a Supplemental Resolution adopted by the Council of the Town on June 8, 1982.

C. "Original Ordinance" means the ordinance entitled

> An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,

enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982, which is further amended and supplemented by this Amendatory Ordinance.

Section 1.02. Authority of This Amendatory Ordinance. This Amendatory Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law and in accordance with Section 4.1 of the Loan Agreement and is amendatory of and supplemental to the Original Ordinance.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. By the Original Ordinance, the Town authorized, among other things, the issuance and sale to the Authority of certain Subordinate Sewer Revenue Bonds for the purpose of refunding the Notes.

B. Pursuant to the Loan Agreement, the Town has agreed to issue and sell, and the Authority has agreed to purchase, $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds.

C. It is in the best interests of the Town, and the inhabitants thereof, that the Original Ordinance be amended to authorize the issuance of the Town's Subordinate Sewer Revenue Bonds as two separate issues of Subordinate Sewer Revenue Bonds, in the aggregate principal amount of $295,000, and Supplemental Subordinate Sewer Revenue Bonds, in the aggregate principal amount of $89,500.

D. It is in the best interests of the Town, and the inhabitants thereof, to set forth certain terms and conditions of said Subordinate Sewer Revenue Bonds and said Supplemental Subordinate Sewer Revenue Bonds and to provide for certain other matters in connection with the authorization, issuance and sale of said Subordinate Sewer Revenue Bonds and said Supplemental Subordinate Sewer Revenue Bonds, all in accordance with the Loan Agreement.

ARTICLE II

AMENDMENTS TO THE ORIGINAL ORDINANCE

Section 2.01. Amendments to Article I of the Original Ordinance. Article I of the Original Ordinance shall be amended as follows:

A. Subsection 1.02(B) of the Original Ordinance is hereby amended and reenacted to read as follows:

> B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the Town that there be constructed certain additions, betterments and improvements to the System (the "Project") at an estimated cost of $2,248,352 in accordance with the plans and specifications prepared by VTN, Inc., Consulting Engineers, Charleston, West Virginia, which plans and specifications have heretofore been filed in the office of the Town Recorder.

B. Subsection 1.03(C) of the Original Ordinance is hereby amended and reenacted to read as follows:

C. The Sanitary Board has filed a petition with the Council of the Town, which petition requests that Council enact an ordinance that shall, among other things, provide for the issuance of bond anticipation notes of the Town to finance the cost of construction and acquisition of the Project and of sewer revenue bonds to refund said bond anticipation notes.

C. Subsection 1.02(D) of the Original Ordinance is hereby amended and reenacted to read as follows:

D. The Sewer System Bond Anticipation Notes, the Subordinate Sewer Revenue Bonds and the Supplemental Subordinate Sewer Revenue Bonds issued pursuant to this Ordinanace are junior, subordinate and inferior as to source of payment and security and in all other respect to the Town's Sewer Revenue Bonds, dated June 1, 1963 (the "Prior Bonds"), issued in the aggregate principal amount of $140,000, certain of which Prior Bonds are outstanding on the date of enactment of this Ordinance; provided, however, that the holder or holders of the Sewer System Bond Anticipation Notes shall have a first lien on the proceeds of the Subordinate Sewer Revenue Bonds and the Supplemental Subordinate Sewer Revenue Bonds to be issued pursuant to this Ordinance; and provided, further, that the Supplemental Subordinate Sewer Revenue Bonds to be issued pursuant to this Ordinance shall be junior, subordinate and inferior as to source of payment and security and in all other respects to the Subordinate Sewer Revenue Bonds to be issued pursuant to this Ordinance. Additional bonds on a parity with the Subordinate Sewer Revenue Bonds may be issued upon compliance with the terms and conditions of this Ordinance, but no further obligations having priority over the Sewer System Bond Anticipation Notes or the Subordinate Sewer Revenue Bonds may henceforth be issued by the Town.

The estimated revenues to be derived in each year after the enactment of this Ordinance from the operation of said System will be sufficient to pay all costs of the operation and maintenance of said System, the principal of and interest on the Prior Bonds and the Subordinate Sewer Revenue Bonds authorized to be issued pursuant to this Ordinance, the principal of the Supplemental Subordinate Sewer Revenue Bonds authorized to be issued pursuant to this Ordinance and all Sinking Fund, Reserve Account and other payments provided for in this Ordinance and in the ordinance authorizing the issuance of the Prior Bonds (the "Prior Ordinance").

D. Subsection 1.02(E) of the Original Ordinance is hereby amended and reenacted to read as follows:

> E. It is deemed necessary for the Town to issue its Sewer System Bond Anticipation Notes in the principal amount of not more than $451,000 to finance costs of the constrution and acquisition of the Project. Said costs shall be deemed to include the cost of the acquisition of any real property involved; the cost of the construction of said additions, betterments and improvements to the System and any other expenses necessary, incidental, desirable or appurtenant to the acquisition and construction of such additions, betterments and improvements to the System; interest on the Sewer System Bond Anticipation Notes authorized to be issued pursuant to this Ordinance until the scheduled maturity thereof, which maturity date is not more than six months after the estimated date of completion of the Project, and interest on the Subordinate Sewer Revenue Bonds authorized to be issued pursuant to this Ordinance prior to, during and for six months after completion of the Project; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; expenses for fiscal or other agents in connection with the issuance of the Sewer System Bond Anticipation Notes and of the Subordinate Sewer Revenue Bonds and the Supplemental Subordinate Sewer Revenue Bonds authorized to be issued pursuant to this Ordinance; commitment fees to the West Virginia Water Development Authority (the "Authority") and such other expenses as may be necessary or desirable to aid the construction and acquisition of the Project and the financing authorized by this Ordinance.

E. Subsection 1.02(F) of the Original Ordinance is hereby amended and reenacted to read as follows:

> F. It is deemed necessary for the Town to issue its Subordinate Sewer Revenue Bonds in the aggregate principal amount of $295,000 and its Supplemental Subordinate Sewer Revenue Bonds in the aggregate principal amount of $89,500, for the purpose of refunding a portion of the Sewer System Bond Anticipation Notes of the Town and paying certain costs of issuance and related costs.

F. Subsection 1.02(G) of the Original Ordinance is hereby amended and reenacted to read as follows:

> G. It is in the best interests of the Town that its Subordinate Sewer Revenue Bonds and its Supplemental Subordinate Sewer Revenue Bonds be sold to the

Authority pursuant to the terms and provisions of the loan agreement, dated June 8, 1982, entered into between the Town and the Authority, which agreement is attached to this Ordinance as Exhibit A and by this reference is incorporated herein and made a part hereof (the "Loan Agreement").

G. Section 1.03 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Sewer System Bond Anticipation Notes, the Subordinate Sewer Revenue Bonds and the Supplemental Subordinate Sewer Revenue Bonds authorized to be issued hereunder by those who shall respectively hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Town and such noteholders or bondholders, and the covenants and agreements herein set forth to be performed by said Town shall be for the equal benefit, protection and security of the legal holders of any and all of such Sewer System Bond Anticipation Notes, Subordinate Sewer Revenue Bonds or Supplemental Subordinate Sewer Revenue Bonds, as the case may be, issued hereunder, and the coupons appertaining to such Sewer System Bond Anticipation Notes or Subordinate Sewer Revenue Bonds, as the case may be, all of which shall respectively be of equal rank and without preference, priority or distinction between any one Sewer System Bond Anticipation Note and the coupons thereon and any other Sewer System Bond Anticipation Notes and the coupons thereon, between any one Subordinate Sewer Revenue Bond and the coupons thereon and any other Subordinate Sewer Revenue Bonds and the coupons thereon or between any one Supplemental Subordinate Sewer Revenue Bond and any other Supplemental Subordinate Sewer Revenue Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein and except that said Supplemental Subordinate Sewer Revenue Bonds shall be junior and subordinate as to lien and source of and security for payment to said Subordinate Sewer Revenue Bonds.

H. Subsection 1.04(B) of the Original Ordinance is hereby amended and reenacted to read as follows:

B. "Authority" shall mean the West Virginia Water Development Authority, which shall be the original purchaser of the Sewer System Bond Anticipation Notes and, subsequently, of the Subordinate Sewer Revenue Bonds and the Supplemental Subordinate Sewer Revenue Bonds originally authorized to be issued hereunder, or any other agency of the State of West

Virginia that succeeds to the functions of the Authority.

I. Subsection 1.04(C) of the Original Ordinance is hereby amended and reenacted to read as follows:

C. "Bonds" shall mean the Subordinate Sewer Revenue Bonds, Series 1982, in the aggregate principal amount of $295,000, originally authorized to be issued pursuant to this Ordinance, and any pari passu additional bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance, and, where applicable, the interest coupons appertaining to said Bonds.

J. Section 1.04(D) of the Original Ordinance is hereby amended and reenacted to read as follows:

D. "Bondholder" or "Holder" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds which shall at the time be registered other than to the bearer, or the bearer or owner of any coupons representing interest accrued or to accrue on said Bonds, or the registered owner of any outstanding Supplemental Bond or Supplemental Bonds, as hereinafter defined, as the case may be, or both, as required by the context in which the term is used in this Ordinance.

K. Subsection 1.04(I) of the Original Ordinance is hereby amended and reenacted to read as follows:

I. "Gross Revenues" shall mean all rates, rents, fees, charges or other income received by or accrued to the Town from the operation of the System, as calculated in accordance with generally accepted accounting practices.

L. Subsection 1.04(K) of the Original Ordinance is hereby amended and reenacted to read as follows:

K. "Loan Agreement" shall mean the loan agreement, dated June 8, 1982, between the Town and the Authority, a copy of which is attached as Exhibit A hereto and incorporated by reference herein.

M. Subsection 1.04(L) of the Original Ordinance is hereby amended and reenacted to read as follows:

L. "Notes" shall mean the not in excess of $451,000 Sewer System Bond Anticipation Notes, Series 1980, originally authorized to be issued pursuant to

this Ordinance, and any renewal thereof pursuant to Section 7.01 hereof.

N. Subsection 1.04(O) of the Original Ordinance is hereby amended and reenacted to read as follows:

O. "Prior Bonds" shall mean the Sewer Revenue Bonds, dated June 1, 1963, of the Town issued in the aggregate principal amount of $140,000, certain of which Prior Bonds are outstanding on the date of enactment of this Ordinance, to which the Notes (except with respect to the lien on the proceeds of the Bonds and the Supplemental Subordinate Sewer Revenue Bonds originally issued pursuant to this Ordinance) and the Bonds and the Supplemental Subordinate Sewer Revenue Bonds are junior, subordinate and inferior.

O. Subsections 1.04(R) through 1.04(W) of the Original Ordinance hereby are amended by adding thereto three (3) new subsections and by renumbering said subsections as Subsections 1.04(R) through 1.04(Z) and are further amended and reenacted to read as follows:

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

(a) Direct obligations of, or obligations the timely payment of the principal of and interest on which are guaranteed by, the United States of America ("Government Obligations");

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Federal Farm Credit Bank; Export-Import Bank of the United States; Federal Land Banks or the Government National Mortgage Association;

(c) Public housing bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract with the United States of America; temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(d) Any bond, debenture, note, participation certificate or other similar obligation issued by the

Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the Federal Deposit Insurance Corporation ("FDIC") or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations; and

(f) Repurchase agreements, fully secured by Government Obligations, with banks or national banking associations which are members of FDIC or government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York.

S. "Sanitary Board" shall mean The Sanitary Board of the Town of New Haven, West Virginia, as created and appointed by ordinance heretofore enacted by the Council of the Town on June 24, 1980, pursuant to the provisions of the Act, and shall include the membership of the Sanitary Board as presently constituted and as may hereafter be duly constituted as the legal successors to the present membership, or any other agency or department or instrumentality of the Town which shall at any time have jurisdiction, possession or control or the System or the management and operation thereof.

T. "Supplemental Bonds" shall mean the Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in the aggregate principal amount of $89,500, originally authorized to be issued pursuant to this Ordinance.

U. "Supplemental Resolution" shall mean any ordinance or resolution which is amendatory hereof or supplementary hereto.

V. "System" shall mean the complete existing sewage system and works now owned by the Town for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereafter constructed or acquired for said sewage system from any sources whatsoever, both within and without said Town.

W. "Town" shall mean the Town of New Haven, a municipal corporation of the State of West Virginia, and, where appropriate, the Town Council and/or Sanitary Board of the Town.

X. "WDA Bonds" shall mean, collectively, the Bonds originally authorized hereby in the aggregate principal amount of $295,000, and the Supplemental Bonds, originally authorized hereby in the aggregate principal amount of $89,500.

Y. Additional terms and phrases are defined in this Ordinance as they are used.

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

Section 2.02. Amendments to Article III of the Original Ordinance. Article III of the Original Ordinance shall be amended as follows:

A. The title of Article III is hereby amended and reenacted to read as follows: "AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS AND SUPPLEMENTAL BONDS; LOAN AGREEMENT."

B. Section 3.01 of the Original Ordinance is hereby amended and reenacted to read as follows:

3.01. Authorization and Terms of Bonds and Supplemental Bonds. For the purpose of refunding a portion of the Notes (and paying certain costs of issuance and related costs) there shall be issued negotiable Subordinate Sewer Revenue Bonds of the Town, designated "Subordinate Sewer Revenue Bonds, Series 1982," in the aggregate principal amount of $295,000, and negotiable Supplemental Subordinate Sewer Revenue Bonds of the Town, designated "Supplemental Subordinate Sewer Revenue Bonds, Series 1982," in the aggregate principal amount of $89,500. The Bonds originally authorized hereby shall constitute the "Local Bonds" under the Loan Agreement, shall be dated as of the date of delivery to the Authority and shall be payable in principal installments in such amounts and on such dates and bear interest on such principal installments at such rates and payable on such dates as are prescribed by the Loan Agreement. Said Bonds originally authorized hereby shall be redeemable only as provided by Section 4.7 of the Loan Agreement. If all or a part of such Bonds are redeemed while any of the Authority's West Virginia

Water Development Authority Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "Authority's 1982 Series A Bonds"), is outstanding, the redemption price of such Bonds shall equal the aggregate of (i) the corresponding principal amount of the Authority's 1982 Series A Bonds to be redeemed by the Authority as a consequence of the redemption by the Town of all or a part of such Bonds outstanding, (ii) the interest to accrue on the Authority's 1982 Series A Bonds so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the Authority's 1982 Series A Bonds so to be redeemed, (iv) the applicable premium, if any, payable on additional Authority's 1982 Series A Bonds which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the Authority's 1982 Series A Bonds so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional Authority's 1982 Series A Bonds so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the Authority's 1982 Series A Bonds have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such Authority's 1982 Series A Bonds remaining unpaid at the date of issuance of such refunding bonds, the Town shall be obligated to pay under item (i), above, the principal amount of such refunding bonds outstanding; and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the Authority's 1982 Series A Bonds, the Town shall be obligated to pay under item (ii), above, the amount of interest to accrue on such outstanding refunding bonds of the Authority.

The Supplemental Bonds shall constitute the "Supplemental Bonds" under the Loan Agreement, shall be dated as of the date of delivery to the Authority, shall not bear interest and shall be payable in principal installments in such amounts and on such dates as are prescribed by the Loan Agreement. The Supplemental Bonds shall be redeemable only as provided by Section 4.7 of the Loan Agreement.

The Bonds shall be payable as to both principal and interest, and the Supplemental Bonds shall be payable as to principal, at the office of the Commission, through a paying agent or agents selected by the original purchaser or purchasers thereof, in any coin or currency that is legal tender for the payment of

public or private debts under the laws of the United States of America.

The WDA Bonds shall be issued in the form of two (2) single bonds, each fully registered to the Authority, one such bond representing the Bonds originally authorized hereby and the other such bond representing the Supplemental Bonds. Each such WDA Bond shall be in the denomination representing the aggregate principal amount of the Bonds originally authorized hereby or the Supplemental Bonds, as the case may be, and shall mature in principal installments as set forth above. Said WDA Bonds shall each be exchangeable at the option and expense of the Holder for other fully registered bonds in the denomination of $5,000 or any integral multiple thereof, and the Bond originally authorized hereby shall also be so exchangeable for coupon Bonds in the denomination of $5,000 each, with appropriate interest coupons for interest due and unpaid or to come due attached, in either case with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said WDA Bond exchanged; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds may be issued as coupon Bonds, registrable as to principal only, in the denomination of $5,000 each, or as fully registered Bonds or one fully registered Bond, with payment records or record attached, in the denomination of $5,000 or any integral multiple thereof. The coupon Bonds shall be dated as of the date specified in the Supplemental Resolution authorizing such coupon Bonds, or the sale thereof, and shall bear interest from their date, payable in accordance with, and upon surrender of, the appurtenant interest coupons as they severally mature. The registered Bonds shall be dated as of the date of their delivery to the original purchaser or purchasers thereof and shall bear interest from such date.

Except as otherwise provided in Section 3.04, before the delivery of any coupon Bonds, all matured coupons thereto attached, except matured coupons for which payment in full has not been provided, shall be cut off, cancelled and destroyed; provided, that if the coupon Bonds are issued in exchange for registered Bonds or a registered Bond upon which interest is in default, as shown by the records of the Treasurer of the State of West Virginia, such coupon Bonds shall have attached thereto all coupons maturing after the date to which interest has been paid in full, as shown

by such records, and in case any interest installments have been paid in part, appropriate notation shall be made on the coupons to evidence such fact.

C. Section 3.02 of the Original Ordinance is hereby amended and reenacted to read as follows:

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

Any coupons to be attached to the Bonds shall be authenticated with the manual or facsimile signature of the present or future Mayor and Town Recorder of the Town.

D. Section 3.03 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 3.03. Negotiability, Transfer and Registration. The Bonds and the Supplemental 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 or the coupons appertaining thereto or any of said Supplemental Bonds, as the case may be, shall be conclusively deemed to have agreed that such Bonds or Supplemental Bonds, as the case may be, shall be and have all of the qualities and incidents of negotible 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 or Supplemental Bonds, as the case may be, shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds or Supplemental Bonds, as the case may be.

So long as any of the Bonds or the Supplemental Bonds remains outstanding, the Treasurer of the State of West Virginia shall keep and maintain books for the registration and transfer of the Bonds or the Supplemental Bonds, as the case may be. Any coupon Bonds may be registered at the option of the Holder as to principal only at the office of the Treasurer of the State of West Virginia, such registration to be noted on the back of said coupon Bonds in the space provided therefor. After such registration as to principal only, no transfer of the coupon Bonds shall be valid unless made at said office by the registered owner, or by his or her duly authorized agent or representative, and similarly noted on the coupon Bonds, but the coupon Bonds may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. At the option of the Holder the coupon Bonds may thereafter again from time to time be registered or transferred as before. Such registration as to principal only shall not affect the negotiability of the coupons, which shall continue to pass by delivery.

Unless otherwise provided by the Supplemental Resolution, at the option of the Holder, coupon Bonds may be exchanged for registered Bonds having maturities of principal installments identical to the maturities of the coupon Bonds being exchanged therefor.

A registered Bond or Supplemental Bond shall be transferable only upon the books of the Town, which shall be kept for that purpose at the office of the aforesaid Treasurer, by the registered owner thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia duly executed by the registered owner or his or her duly authorized attorney. Upon exchange or transfer of a registered Bond or of a Supplemental Bond, as the case may be, there shall be issued another registered Bond or Supplemental Bond, as the case may be, or registered Bonds or Supplemental Bonds, as the case may be, of

the aggregate principal amount equal to the unpaid amount of the transferred registered Bond or Supplemental Bond, as the case may be, or, with respect to the registered Bond, at the option of the Holder or the transferee, coupon Bonds with appropriate coupons attached, of the aggregate principal amount equal to the unpaid principal amount of such registered Bond, in either case having principal installments or maturities, as applicable, corresponding to the principal installments of such registered Bond or Supplemental Bond then unpaid.

In all cases in which the privilege of exchanging Bonds or Supplemental Bonds, as the case may be, or transferring a registered Bond or Supplemental Bond, as the case may be, is exercised, Bonds or Supplemental Bonds, as the case may be, shall be delivered in accordance with the provisions of this Ordinance. All Bonds and coupons and all Supplemental Bonds, as the case may be, surrendered in any such exchanges or transfers shall forthwith be cancelled by the Treasurer of the State of West Virginia; provided, however, that said Treasurer may hold coupon Bonds until the maturity thereof for use in future exchanges. For every such exchange or transfer of Bonds or Supplemental Bonds, as the case may be, the Treasurer of the State of West Virginia may make a charge sufficient to reimburse his or her office 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 coupon Bond or each new registered Bond or Supplemental Bond, as the case may be, upon each exchange or transfer, and any other expenses of said Treasurer incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer; provided, however, the Authority shall not be obligated to pay any such sum or sums as a condition precedent. The Treasurer shall not be obliged to make any exchange or transfer or Bonds during the ten (10) days preceding any interest payment date on the Bonds or, in the case of any proposed redemption of Bonds or Supplemental Bonds, as the case may be, said Treasurer shall not be obliged to make any such exchange or transfer of Bonds or Supplemental Bonds, as the case may be, next preceding the date of the selection of Bonds or Supplemental Bonds, as the case may be, to be redeemed.

E. Section 3.04 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 3.04. Bonds or Supplemental Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond or Supplemental Bond, as the case may be, shall become mutilated or be destroyed, stolen or lost, the Town may in its discretion issue and deliver a new Bond with all unmatured coupons, if any, or a new Supplemental Bond, as the case may be, so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond or Supplemental Bond, as the case may be, upon surrender and cancellation of such mutilated Bond, and attached coupons, if any, or such mutilated Supplemental Bond, as the case may be, or in lieu of and substitution for the Bond and coupons, if any, or the Supplemental Bond, as the case may be, destroyed, stolen or lost and upon the Holder's furnishing the Town proof of his or her ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Town may prescribe and paying such expenses as the Town may incur. All Bonds and coupons or Supplemental Bonds, as the case may be, so surrendered shall be cancelled by the Town Recorder and held for the account of the Town.

If such Bond or coupons or such Supplemental Bond, as the case may be, shall have matured or be about to mature, instead of issuing a substitute Bond or coupon or Supplemental Bond, as the case may be, the Town may pay the same, upon being indemnified as aforesaid, and if such Bond or coupons or such Supplemental Bond, as the case may be, be lost, stolen, or destroyed, without surrender therefor.

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

F. Section 3.05 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 3.05. Form of Bond Originally Authorized by This Ordinance. The text of the Bond originally issued pursuant to this Ordinance shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance, the Supplemental Resolution or any subsequent resolution or ordinance adopted prior to the issuance thereof.

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SUBORDINATE SEWER REVENUE BOND, SERIES 1982

No. R-1 $295,000

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), 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 its registered assigns (the "Alternate Payee"), on the first day of October of the years and in the principal installments specified below, the aggregate sum of Two Hundred Ninety-five Thousand Dollars ($295,000) and solely from such special funds also to pay interest on said sum from the date hereof at the rate for each such principal installment specified below on the first day of April and the first day of October in each year beginning _____ 1, 19__, both principal of and interest on this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, 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, through _____, _____, West Virginia, or at the option of the holder at the [principal] office of _____, _____, _____.

Year	Principal Installment	Interest Rate
2004	$ 5,000	12.00%
2005	10,000	12.00
2006	10,000	12.00
2007	10,000	12.00
2008	10,000	12.00

Year	Principal Installment	Interest Rate
2009	15,000	12.00
2010	15,000	12.00
2011	15,000	12.00
2012	20,000	12.00
2013	20,000	10.00
2014	20,000	10.00
2015	25,000	10.00
2016	25,000	10.00
2017	30,000	10.00
2018	30,000	10.00
2019	35,000	10.00

This Bond is subject to redemption prior to its stated date of maturity only with the written consent of the Authority, so long as it is the registered owner hereof, and, so long as any of the Authority's bonds issued with respect to this Bond are outstanding, any redemption of this Bond authorized by the Authority must provide for a redemption price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Town of all or a part of this Bond, (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv) the applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Town shall be obligated to pay under item (i), above, the principal amount of such refunding bonds outstanding; and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the bonds of the Authority, the Town shall be obligated to pay under item (ii), above, the amount of interest to accrue on such outstanding refunding bonds of the Authority.

This Bond represents the aggregate principal amount, being $295,000, of an authorized issue of Bonds (the "Bonds") issued to refund a portion of certain renewed sewer system bond anticipation notes of the Town (the

"Note"), the original of which Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system (the "System") of the Town, and to pay certain costs of issuance and related costs. The remainder of the Note is being refunded with the proceeds of $89,500 in aggregate principal amount of supplemental subordinate sewer revenue bonds issued contemporaneously herewith (the "Supplemental Bonds") and with certain other available funds of the Town. This Bond is authorized under and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Town Council of the Town on the 8th day of July, 1980, as amended thereby on the 22nd day of July, 1980, as supplemented thereby on the 4th day of August, 1980, as further supplemented and amended thereby on the 28th day of July, 1981, as further supplemented and amended thereby on the 8th day of June, 1982, as further supplemented thereby on the 14th day of June, 1982, and as further amended and supplemented thereby on the day of _____, 19__ (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. In addition to authorizing the Supplemental Bonds, the Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

The Bonds are payable only from and secured by the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town, which net revenues shall be sufficient to pay the principal of, and interest on, all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same or the interest hereon except from said special fund provided from the net revenues from the operation of said System. By the Ordinance, the Town has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of said System and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations, including the Bonds and the Supplemental Bonds, payable from such revenues. The Town has entered into certain further covenants with the

holders of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the holders of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

THE BONDS ARE JUNIOR, SUBORDINATE AND INFERIOR AS TO SOURCE OF PAYMENT AND SECURITY AND IN ALL OTHER RESPECTS TO $_____ IN PRINCIPAL AMOUNT OF THE TOWN'S SEWER REVENUE BONDS, DATED JUNE 1, 1963, OUTSTANDING ON THE DATE HEREOF.

Additional pari passu bonds may be issued upon compliance with the terms and conditions of the Ordinance, but no further obligations having priority over the Bonds may henceforth be issued by the Town.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Town kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Authority or the Alternate Payee or by his or her or its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Authority or the Alternate Payee, as appropriate, or his or her or its attorney duly authorized in writing. Upon the transfer of this Bond, there shall be issued at the option of the registered holder or the transferee coupon Bonds, with appropriate coupons attached, of the aggregate principal amount equal to the unpaid principal amount of this Bond, and having maturities corresponding to the principal installments of this Bond then unpaid, or another fully registered Bond or fully registered Bonds of the aggregate principal amount equal to the unpaid principal amount of this Bond upon transfer hereof.

This Bond is exchangeable at the option and expense of the registered holder hereof for other fully registered Bonds in the denomination of $5,000 or any integral multiple thereof or for coupon Bonds in the denomination of $5,000 each, in aggregate principal amount equal to the amount of this Bond then outstanding, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of this Bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange or any transfer. The coupon Bonds for which this Bond is exchanged shall have appropriate interest coupons for interest due and unpaid or to come due attached.

This Bond and interest hereon shall be exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced or obligations incurred in connection with the issuance hereof and the refunding of the Note, as provided by law and the Ordinance, shall be applied solely to refunding the Note, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of the Bonds.

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

All provisions of the ordinances 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 said Town of New Haven, West Virginia, has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Town Recorder, all as of the ___ day of _____, 19__.

_____
Mayor

[SEAL]

ATTEST:

_____
Town Recorder

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment (%)	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$			

SCHEDULE "A"

Principal Installments on which payments have been made prior to maturity

Principal Due Date	Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$	$		

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer the said Bond on the books of the within-named Town with full power of substitution in the premises.

_____

Dated: _____

In the presence of: _____

G. Article III of the Original Ordinance hereby is amended by adding thereto the following new Section 3.06 and by renumbering Section 3.06 of the Original Ordinance as Section 3.07 and is reenacted as so amended:

Section 3.06. Form of Supplemental Bond. The text of the Supplemental Bond originally issued pursuant to this Ordinance shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance, the Supplemental Resolution or any subsequent resolution or ordinance adopted prior to the issuance thereof.

[Form of Supplemental Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SUPPLEMENTAL SUBORDINATE SEWER REVENUE BOND,
SERIES 1982

No. S-1 $89,500

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), 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 its registered assigns (the "Alternate Payee"), in principal installments of $2,418.92 payable on October 1 of each of the years from 1983 through 2019, inclusive, the aggregate sum of Eighty-nine Thousand Five Hundred Dollars ($89,500) in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through _____, _____, West Virginia, or at the option of the holder at the [principal] office of _____, _____, _____.

This Bond is subject to redemption prior to its stated date of maturity only with the written consent of the Authority, so long as it is the registered owner hereof.

This Bond represents the aggregate principal amount, being $89,500, of an authorized issue of Bonds (the "Bonds") issued to refund a portion of certain renewed sewer system bond anticipation notes of the Town (the "Note"), the original of which Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system (the "System") of the Town, and to pay certain costs of issuance and related costs. The remainder of the Note is being refunded with the proceeds of $295,000 in aggregate principal amount of subordinate sewer revenue bonds issued contemporaneously herewith (the "Second Lien Bonds") and with certain other available funds of the Town. This Bond is authorized under and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Town Council of the Town on the 8th day of July, 1980, as amended thereby on the 22nd day of July, 1980, as supplemented thereby on the 4th day of August, 1980, as further supplemented and amended thereby on the 28th day of July, 1981, as further supplemented and amended thereby on the 8th day of June, 1962, as further supplemented thereby on the 14th day of June, 1982, and as further amended and supplemented thereby on the ____ day of _____, 19__ (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. In addition to authorizing the Second Lien Bonds, the Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured prior to the Bonds and equally and ratably from and by the funds and revenues and other security provided for the Second Lien Bonds under the Ordinance.

The Bonds are payable only from and secured by the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town, which net revenues shall be sufficient to pay the principal of, and interest on, all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same except from said special fund provided from the net revenues from the operation of said System. By the Ordinance, the Town has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of said System and to leave a balance each year equal to at least 130% of the

amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations, including the Second Lien Bonds and the Bonds, payable from such revenues. Notwithstanding any of the foregoing, the lien on, pledge of and security for payment of the Bonds from such revenues are junior and subordinate to the lien on, pledge of and security for payment from such revenues created by the Ordinance on behalf of the Second Lien Bonds. The Town has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the holders of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

THE BONDS ARE THIRD LIEN OBLIGATIONS OF THE TOWN. BOTH THE BONDS AND THE SECOND LIEN BONDS ARE JUNIOR, SUBORDINATE AND INFERIOR AS TO SOURCE OF PAYMENT AND SECURITY AND IN ALL OTHER RESPECTS TO $_____ IN PRINCIPAL AMOUNT OF THE TOWN'S SEWER REVENUE BONDS, DATED JUNE 1, 1963, OUTSTANDING ON THE DATE HEREOF.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Town kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Authority or the Alternate Payee or by his or her or its attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Authority or the Alternate Payee, as appropriate, or his or her or its attorney duly authorized in writing. Upon the transfer of this Bond, there shall be issued another fully registered Bond or fully registered Bonds of the aggregate principal amount equal to the unpaid principal amount of this Bond upon transfer hereof.

This Bond is exchangeable at the option and expense of the registered holder hereof for other fully registered Bonds in the denomination of $5,000 or any integral multiple thereof, in aggregate principal amount equal to the amount of this Bond then outstanding, with principal installments corresponding to the dates of payment of principal installments of this Bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange or any transfer.

This Bond shall be exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced or obligations incurred in connection with the issuance hereof and the refunding of the Note, as provided by law and the Ordinance, shall be applied solely to refunding the Note, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of the Bonds.

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

All provisions of the ordinances 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 said Town of New Haven, West Virginia has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Town Recorder, all as of the __ day of _____, 19__.

_____
Mayor

[SEAL]

ATTEST:

_____
Town Recorder

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$		

SCHEDULE "A"

Principal Installments on which payments have been made prior to maturity

Principal Due Date	Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$	$		

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer the said Bond on the books of the within-named Town with full power of substitution in the premises.

_____

Dated: _____

In the presence of: _____

H. Section 3.07, formerly Section 3.06, of the Original Ordinance is hereby amended and reenacted to read as follows:

3.07. Sale of WDA Bonds Pursuant to Loan Agreement. The WDA Bonds are hereby authorized to be, and shall be, sold to the Authority pursuant to the terms and conditions of the Loan Agreement.

Section 2.03. Amendments to Article IV of the Original Ordinance. Article IV of the Original Ordinance shall be amended as follows:

A. The title of Article IV is hereby amended and reenacted to read as follows: "SECURITY OF BONDS AND SUPPLEMENTAL BONDS."

B. Section 4.01 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 4.01. Bonds and Supplemental Bonds Junior and Subordinate to Prior Bonds. The Bonds and Supplemental Bonds issued pursuant to this Ordinance shall be junior, subordinate and inferior as to source of payment and security and in all other respects to the Prior Bonds. After making all of the payments required with respect to the Prior Bonds pursuant to the Prior Ordinance, the Town shall make the following payments from the Sewer Revenue Fund (the "Prior Fund") established under the Prior Ordinance:

(A)(1) From the moneys in the Prior Fund, the Town shall, on the first day of each month, as set forth in the Supplemental Resolution, apportion and set apart out of the Prior Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund," which is hereby created and established, a sum equal to one-sixth (1/6) of the amount of interest which will become due on said Bonds on the next ensuing semiannual interest payment date; provided, however, that in the event that the period to elapse between said initial payment date and the next semiannual interest payment date is less than seven (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 maturing on such date.

The Town shall also, from the Prior Fund, remit to the Commission, on such dates or at such other times as the Commission shall require, such additional sums as shall be necessary to pay the fiscal agency charges due for paying the Bonds and the interest thereon.

The Town shall also apportion and set apart out of the Prior Fund and remit to the Commission for deposit in said Sinking Fund, on the first day of each month, beginning on the first day of that month which is thirteen (13) months prior to the first principal payment date of said Bonds, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on said Bonds on the next ensuing principal payment date.

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

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due.

(2) The Town shall next, from the Prior Fund, remit to the Commission for deposit in a Reserve Account in said Sinking Fund, on the first day of each month of each year, beginning with and including the month in which payments from the Prior Fund for semiannual interest are commenced, an amount equal to twenty percent (20%) of all amounts required to be deposited for maturing principal and interest into said Sinking Fund, as provided above, on said dates; provided, however, that no further payments shall be made into said Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the maximum amount of principal and interest that will mature and become due on said Bonds in any succeeding Fiscal Year.

Moneys in the Reserve Account shall be used only for the purpose of payment of maturing principal of and interest on the Bonds when other moneys in the Sinking Fund are insufficient therefor and for no other purpose.

Any withdrawals from the Reserve Account shall be subsequently restored from the first revenue available after all required payments to the Sinking Fund and Reserve Account, including any deficiencies for prior payments, have been made in full.

The Town shall not be required to make any further payments into said Sinking Fund or into the Reserve Account in said Sinking Fund when the

aggregate amount of funds in both said Sinking Fund and said Reserve Account are at least equal to the aggregate principal amount of Bonds issued pursuant to this Ordinance then outstanding, plus the amount of interest due or thereafter to become due on said Bonds then outstanding.

As and when additional Bonds ranking on a parity with the Bonds originally herein authorized are issued, provision shall be made for additional payments into said Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Reserve Account in said Sinking Fund in an amount equal to the maximum provided and required to be paid into the Sinking Fund in any Fiscal Year for account of all the Bonds, including such additional parity Bonds which by their terms are payable from said Sinking Fund.

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

Said Sinking Fund shall be used solely and only and is hereby pledged for the purpose of servicing the Bonds originally authorized hereby and any additional Bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions hereinafter set forth.

(B) Thereafter, from the moneys remaining in said Prior Fund, the Town shall next, on the first day of each month commencing with the first month in which interest shall be first payable from the Prior Fund, remit to a bank which is eligible under the laws of West Virginia to receive deposits of state and municipal funds for deposit in a special account to be designated the "Renewal and Replacement Fund," which fund is hereby established and created, a sum equal to two and one-half percent (2-1/2%) of the Gross Revenues each month, exclusive of any payments for account of the Reserve Account in the Sinking Fund. All funds in said Renewal and Replacement Fund shall be kept apart from all other funds of the Town or said bank, and all or any part of said fund may be and, to the fullest extent possible under applicable law and the need for

such funds for the purposes set forth in this section shall be, invested in Qualified Investments maturing or being subject to retirement at the option of the holder within not more than ten (10) years from the date of such investment. Withdrawals and disbursements may be made from said Renewal and Replacement Fund for replacements, emergency repairs, additions, betterments or improvements to the System; provided, however, that any deficiency in the 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 by Section 4.01(A)(2)), shall be promptly eliminated with moneys from the Renewal and Replacement Fund in amounts sufficient to eliminate such deficiency.

(C) Whenever all of the required and provided transfers and payments from said Prior Fund into the several special funds, as hereinbefore provided, are current and there remains in said Prior Fund a balance in excess of the estimated amounts required to be so transferred and paid for Operating Expenses and into the Sinking Fund and the Renewal and Replacement Fund during the next succeeding three (3) months, such excess shall be considered as surplus revenues. Said surplus revenues shall be used for the purposes and in the order and priority as follows:

(1) To remit to the Commission for deposit into the Town of New Haven Supplemental Subordinate Sewer Revenue Bond Principal Account (the "Supplemental Bond Principal Account"), which is hereby created and established with the Commission, on the first (1st) day of each month, beginning with the first month in which said surplus revenues are available, a sum equal to one-twelfth (1/12th) of the amount of principal which will mature and come due on the Supplemental Bonds on the next ensuing principal payment date thereof; provided, however, that in the event that the period to elapse between said initial deposit date and the next principal payment date is less than thirteen (13) months, then such monthly deposits shall be increased proportionately to provide, one month prior to the next principal payment date, the amount of principal of the Supplemental Bonds maturing on said date; and, provided, further, that said deposit of surplus revenues one month prior to the next principal payment date shall be in the amount necessary to make the funds on deposit in the Supplemental Bond Principal Account at least equal to the principal of the Supplemental Bonds maturing on said date. Said Supplemental Bond Principal Account

shall be used only for the payment of principal of the Supplemental Bonds. The Town shall also, from said surplus revenues, remit to the Commission, on such dates or at such other times as the Commission shall require, such additional sums as shall be necessary to pay the charges due for paying the Supplemental Bonds. The Town hereby covenants to the Holders of the Supplemental Bonds to make the deposits and payments specified in this paragraph so long as any of the Supplemental Bonds shall be outstanding and unpaid. If there are no longer any Bonds outstanding, such deposits and payments shall be made from the Prior Fund or the Revenue Fund created by Subsection 4.01(H) hereof.

(2) For the construction and acquisition of improvements and extensions to the System.

(3) To the extent not needed for such purposes, said surplus revenues and any surplus moneys in the Sinking Fund, exclusive of the Reserve Account, in excess of the amount of interest to become due on the next interest payment date and the amount of principal to become due withint the next succeeding thirteen (13) months, may be used to purchase Bonds upon the open market at a price not exceeding the par value thereof plus three percent (3%) of such par value, or to redeem Bonds at a price not in excess of the redemption price thereof, or for debt service on obligations, other than the Supplemental Bonds, not on a parity with the Bonds, the proceeds of which obligations were used to finance such additions, betterments or improvements.

(D) The moneys in excess of the sum insured by the maximum amounts insured by the FDIC in the Prior Fund and for the Renewal and Replacement Fund (unless remitted to the Commission) shall at all times be secured, to the full extent thereof in excess of such insured sum, by direct obligations of the United States of America or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

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

(F) Moneys in the Reserve Account shall be invested and reinvested by the Commission in Qualified Investments having maturities not longer than five (5) years from the date of purchase.

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

(H) After the Prior Bonds have been paid in full (or provisions therefor have been made), all the revenues from the operation of the System shall be deposited in a bank in the State of West Virginia eligible to receive deposits of State and municipal funds in a special fund, to be designated the "Revenue Fund." The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the Town and used only for the purposes and in the manner herein provided. All revenues in the Revenue Fund shall first each month be used to pay all reasonable Operating Expenses of the System. Thereafter, disbursements shall be made from the Revenue Fund in the same priority and to the same extent as such were made from the Prior Fund, as described above.

Section 2.04. Amendments to Article V of the Original Ordinance. Article V of the Original Ordinance is hereby amended and reenacted to read as follows:

ARTICLE V

WDA BONDS TO REFUND NOTES

At the maturity, or call prior to maturity, of the Notes, as provided in Article VII hereof, the WDA Bonds shall be used to defease the Notes and pay issuing expenses required by the Authority. The Town hereby assigns its right to receive funds as proceeds of said WDA Bonds to the Authority, and there shall be no transfer of funds by the Authority to the Town as payment for said WDA Bonds, except to pay costs of issuance of the WDA Bonds and related costs. Said funds received by the Town to pay costs of issuance of the WDA Bonds and related costs shall be deposited by the Town in a separate account to be designated the "WDA Bonds Cost of Issuance Account" hereby established in the Construction Trust Fund created by Subsection 8.01(B) hereof. After paying such costs of issuance and related costs approved by the Council of the Town and allowable under the Act, any moneys remaining in

the WDA Bonds Cost of Issuance Account may be drawn out, used and applied by the Town for the payment of any remaining costs of construction and acquisition of the Project, and purposes incidental thereto. If for any reason such funds received, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds shall be deposited by the Town in the Reserve Account in the Sinking Fund and shall be used only as provided therefor. Any funds received as payment for the WDA Bonds shall be and constitute a trust fund for the purposes above, and there is hereby created a lien upon such moneys, until so applied, in favor of the Holders of the WDA Bonds.

Section 2.05. Amendments to Article VI of the Original Ordinance. Article VI of the Original Ordinance shall be amended as follows:

A. Section 6.01 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.01. General Covenants of the Town. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Town and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds or the Supplemental Bonds, as applicable. In addition to the other covenants, agreements and provisions of this Ordinance, the Town hereby covenants and agrees with the Holders of the Bonds and the Supplemental Bonds, as the case may be, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon or any of said Supplemental Bonds, as the case may be, is outstanding and unpaid.

Until the payment in full of the principal of and interest on the Notes when due, the covenants, agreements and provisions contained in this Ordinance shall, where applicable, inure to the benefit of the Noteholders and constitute valid and legally binding covenants of the Town, enforceable in any court of competent jurisdiction by any Holder or Holders of said Notes.

B. Section 6.02 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.02. Bonds and Supplemental Bonds Not To Be Indebtedness of the Town. Neither the Bonds nor coupons appertaining thereto nor the Supplemental Bonds, as the case may be, shall be or constitute an indebtedness of the Town within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the revenues of the System, as herein provided. No Holder or Holders of any Bonds issued hereunder, or of any coupon appertaining thereto, or of any Supplemental Bonds, as the case may be, shall ever have the right to compel the exercise of the taxing power of the Town to pay said Bonds or the interest thereon or said Supplemental Bonds, as the case may be.

C. Section 6.03 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.03. Bonds and Supplemental Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Notes and the Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System, to the extent necessary, with respect to the Bonds, to make the payments required under Section 4.01 of this Ordinance; provided, that such lien is junior and subordinate to the lien held by the holders of the Prior Bonds. The payment of the principal of the Supplemental Bonds shall also be secured by a lien on the Net Revenues derived from the operation of the System, to the extent necessary to make the payments required under Section 4.01 of this Ordinance; provided, that said lien on the Net Revenues shall be junior and subordinate to the respective liens on the Net Revenues created on behalf of the Prior Bonds and the Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized, to pay the principal of the Supplemental Bonds and to make the payments into the Sinking Fund, including the Reserve Account therein, and all other payments provided for in this Ordinance are hereby irrevocably pledged, in the manner provided in this Ordinance, to the payment of the principal of and interest on the Notes and the Bonds herein authorized as the same become due, to the payment of the principal of the Supplemental Bonds as the same becomes due and for the other purposes provided in this Ordinance; provided, that said pledge for the payment of the principal of the Supplemental Bonds shall be junior and subordinate to said pledge for the payment of the principal of and interest on the Bonds, which is, in turn, junior and subordinate to the pledge of said revenues created on behalf of the Prior Bonds.

D. Section 6.04 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.04. Rates. Prior to the issuance of the WDA Bonds, equitable rates or charges for the use of and services rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the Sanitary Board and in the office of the Town Recorder, each of 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 on behalf of the Prior Bonds and into the funds and accounts 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 Town hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide for all reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least 130% of the maximum amount required in any ensuing year to pay the interest and principal as the same become due and accomplish retirement of all obligations other than the Notes, including the WDA Bonds, for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered.

E. Section 6.06 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.06. Sale of the System. 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, as provided by Section 9.06 hereof, all the Notes or the Bonds and Supplemental Bonds, as the case may be, outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds and the Supplemental Bonds, immediately be remitted to the Commission for deposit in the Sinking Fund and the Supplemental Bond Principal Account in amounts respectively sufficient to effect such defeasance pursuant to Section 9.06. In the event the

Authority is no longer a Bondholder, such proceeds must be deposited in amounts respectively sufficient to redeem all the Bonds and Supplemental Bonds then outstanding, at the earliest possible redemption date, and the Town shall direct the Commission to apply such proceeds to effect such redemption at the earliest possible redemption date. Any balance remaining after the payment of all the Bonds and any interest thereon and of all the Supplemental Bonds shall be remitted to the Town by the Commission unless necessary for the payment of other obligations of the Town payable out of the revenues of the System. With respect to the Notes, such proceeds in an amount sufficient to pay in full the Notes shall be remitted to the Holder thereof.

The foregoing provision notwithstanding, the Town shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of Ten Thousand Dollars ($10,000), the Sanitary Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council of the Town 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 shall be in excess of Ten Thousand Dollars ($10,000) but not in excess of Fifty Thousand Dollars ($50,000), the Sanitary Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and the Council of the Town may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be remitted by the Town to the Commission for deposit in the 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 three percent (3%) of such par value. Such payments of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Town if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay all the Bonds and Supplemental Bonds then outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in amount of the Bonds and sixty-six and two-thirds percent (66-2/3%) in amount of the Supplemental Bonds, as the case may be, then outstanding. The Town shall prepare the form of such approval and consent for execution by the then Holders of the Bonds and the Supplemental Bonds, as the case may be, for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

F. Section 6.07 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The Town shall not issue any other obligations whatsoever payable from the proceeds of the Bonds or the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such proceeds or revenues with the Notes or the Bonds; provided, that additional notes on a party with the renewal note provided for in Section 7.01 hereof may be issued as authorized by the Authority; and provided, further, that additional Bonds on a parity with the Bonds may be issued as provided for in Section 6.08 hereof. All obligations hereafter issued by the Town 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 Notes and the Bonds; provided, however, that no such subordinate obligations shall be issued unless the Reserve Account in the Sinking Fund is funded to the extent that no further payments are required thereto as provided in Subsection 4.01(A)(2); and provided, further, that no such subordinate obligations shall be issued as long as any of the Supplemental Bonds is outstanding without the prior written consent of the Authority.

Except as provided above, the Town 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 Notes or the Bonds, as the case may

be, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Notes or the Bonds, as the case may be, and the interest thereon in this Ordinance, or upon the System or any part thereof or, with respect to the Notes, upon the proceeds of the WDA Bonds.

G. Section 6.11 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.11. Remedies and Appointment of Receiver. Any Noteholder or Bondholder may, by proper legal action, compel the performance of the duties of the Town under this Ordinance and the Act, including the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any default in the payment of interest on any Notes or Bonds when the same shall become due or in the payment of the principal of any Note or Notes, any Bond or Bonds or any Supplemental Bond or Supplemental Bonds, as the case may be, at the respective specified dates of maturity thereof, or otherwise in the performance of any covenant contained in this Ordinance other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the Town of such default, any Noteholder or Bondholder shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Town with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and any interest coupons appertaining thereto and of the Supplemental Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his 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 Town exercise all the rights and powers of the Town with respect to said facilities as the Town itself might do.

Whenever all that is due upon the Notes or the Bonds issued pursuant to this Ordinance and interest thereon and upon the Supplemental Bonds, as the case may be, and under any covenants of this Ordinance for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the Town upon the entry of an order of the court to that effect. Upon any subsequent default, any Holder of the Notes, Bonds or Supplemental Bonds issued pursuant to this Ordinance shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him 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 Town and for the joint protection and benefit of the Town and the Holders of Notes, Bonds and Supplemental Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Town and Noteholders or Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Town, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

H. Section 6.12 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.12. Enforcement of Collections. The Town will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for services or facilities of the System shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. The Town further covenants and agrees that in the event it has a municipally owned waterworks system (the "Water System"), 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 and facilities of the System and the Water System to all delinquent users of services and facilities of the System and will not restore such services of either the System or the Water System until all delinquent charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

I. Section 6.14 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.14. Books and Records. The Town will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Town, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Note or Notes, a Bond or Bonds or a Supplemental Bond or Supplemental Bonds issued pursuant to this Ordinance shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Town relating thereto.

The accounting system for the System shall follow currently accepted accounting practices and safeguards. Separate control accounting records shall be maintained by the Town. 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 Town. The Town 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 Town shall be reported to such agent of the Town as the Council of the Town shall direct.

The Town shall file with the Consulting Engineers and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Notes, Bonds or Supplemental Bonds requesting the same, an annual report containing the following:

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

B. A balance sheet statement showing all deposits in all the funds provided for in this Ordinance and the status of all said funds.

The Town shall also, at least once a year, cause the books, records and accounts of the System to be audited by a certified public accountant and shall mail upon request, and make available generally, the report of said certified public accountant, or a summary thereof, to any Holder or Holders of Notes, Bonds or Supplemental Bonds issued pursuant to this Ordinance and shall file said report with the Authority, or any other original purchaser of the Bonds.

Section 2.06. Bonds To Mean WDA Bonds with Respect to Security for and Payment of Notes. References in Article VII of the Original Resolution and in the Notes to the sale of, and security for and payment of the Notes from the proceeds of, the Bonds are hereby deemed to mean the WDA Bonds. With respect to Subsection 7.07(B) of the Original Ordinance and as agreed by the Authority, the aggregate principal amount of the WDA Bonds required may, and shall, be reduced to the extent the Town has other funds available for refunding the Notes.

Section 2.07. Amendments to Article IX of the Original Ordinance. Article IX of the Original Ordinance shall be amended as follows:

A. Section 9.01 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 9.01. Modification or Amendment. No material modification or amendment of this Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto that would materially and adversely affect the rights of the Holders of any Notes, Bonds or Supplemental Bonds, as the case may be, shall be made without the consent in writing of the respective Holders of two-thirds (2/3) or more in principal amount of such Notes, Bonds or Supplemental Bonds, as the case may be, then outstanding; provided, however, that no change shall be made in the maturity of any Note or Notes, any Bond or Bonds or any Supplemental Bond or Supplemental Bonds, as the case may be, or in the principal amount thereof or the rate of interest on any Note or Notes or any Bond or Bonds or affecting the unconditional promise of the Town to pay such principal and interest out of the funds herein pledged therefor without the consent of the respective Holder thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Notes, Bonds or Supplemental Bonds, as the case may be, required for consent to the above-permitted amendments or modifications.

B. Section 9.06 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 9.06. Defeasance. If the Town shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Notes, Bonds or Supplemental Bonds, as the case may be, the principal thereof, and to the Holders of any coupons appertaining to said Notes or Bonds the interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then the pledge of any revenues and other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the Town to the Noteholders or the Bondholders, as the case may be, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or coupons or interest installments thereon or Supplemental Bonds, as the case may be, for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the paying agent at the same or earlier time, shall be sufficient, to pay as and when due the

principal of and interest on such Bonds or the principal of such Supplemental Bonds, as the case may be, shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds and any coupons appertaining thereto or all Supplemental Bonds, as the case may be, 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 either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same time, shall be sufficient, to pay when due the principal of and interest due and to become due, on and prior to the maturity dates thereof, on said Bonds, or to pay when due the principal of said Supplemental Bonds, as the case may be. 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 of and interest on said Bonds or the payment of the principal of said Supplemental Bonds, as the case may be; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and the interest due and to become due, on and prior to such maturity dates thereof, on said Bonds, or the principal of said Supplemental Bonds, as the case may be, and interest earned from such reinvestments shall be paid over to the Town as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

C. Section 9.07 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 9.07. Restrictions as to Arbitrage Bonds. The Town shall not permit at any time or times any of the proceeds of the Notes, the Bonds or the Supplemental Bonds or any other funds of the Town to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Note, Bond or Supplemental Bond to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and the Mayor of the Town

shall deliver his or her certificate, based upon this covenant, with regard thereto to the original purchasers of the Notes, Bonds or Supplemental Bonds, as the case may be.

ARTICLE III

MISCELLANEOUS

Section 3.01. Paying Agent. The Charleston National Bank, Charleston, West Virginia, has been selected as paying agent for the Authority and is hereby designated as the paying agent for the WDA Bonds. Accordingly, both the Bonds originally authorized by the Ordinance and the Supplemental Bonds are payable as to principal, and the Bonds originally authorized by the Ordinance are payable as to interest, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through the Charleston National Bank, Charleston, West Virginia. There shall be no alternate paying agent for the WDA Bonds.

Section 3.02. Sinking Fund. In accordance with Subsection 4.01(A)(1) of the Ordinance, the Town shall commence making deposits on account of interest into the Sinking Fund on November 1, 1982.

Section 3.03. Payment of Notes. There is hereby authorized and directed the expenditure by the Town of available funds, not to exceed $70,000, as may be required to defease the Notes concurrently with the delivery of the WDA Bonds to the Authority. Such funds shall not be deposited in the Notes Payment Account but shall be delivered to the Authority, as agreed thereby.

Section 3.04. Further Actions. The Mayor and Recorder of the Town and all other members of the Council of the Town and employees of the Town are hereby authorized and directed to take all actions necessary to cause the WDA Bonds to be properly executed and delivered to the Authority and to execute and deliver any other documents required in connection therewith.

Section 3.05. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Amendatory Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Amendatory Ordinance or of the Ordinance.

Section 3.06. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with this Amendatory Ordinance are to the extent of such conflict repealed.

Section 3.07. Covenant of Due Procedure. The Town covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment of this Amendatory Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State applicable thereto; and the Mayor, Recorder and members of the Council of the Town were at all times when any actions in connection with this Amendatory Ordinance occurred, and are, duly in office and duly qualified for such offices.

Section 3.08. Effective Date. This Amendatory Ordinance shall take effect after passage, public hearing and otherwise in the manner prescribed by law.

EXHIBIT A

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and THE TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act; and

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia to construct, own and operate such a water development project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds and bond anticipation notes or other short-term indebtedness issued by such Governmental Agency; and

WHEREAS, the United States Environmental Protection Agency (the "EPA") has awarded a "Step III" grant offer pursuant to the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, for the construction of a water development project by the Governmental Agency (the "Project") at the location and as more particularly described and set forth in the Application for Loan with attachments and exhibits, dated April 25, 1979, completed by the Governmental Agency and filed with the Authority, as revised and supplemented (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, the Governmental Agency has also received commitments for such other grants, loans and other financial assistance with respect to such water development project as are described and set forth in Schedule A of the Application; and

WHEREAS, the Authority intends to issue its Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), in accordance with the provisions of the Act and the resolution of the Authority duly adopted on November 29, 1978 (the "Bond Resolution"), as supplemented by a series resolution authorizing the 1982 Series A Bonds, the proceeds of such 1982 Series A Bonds to be used by the Authority to purchase the bonds of certain municipalities and public service districts, including the Governmental Agency, which comply with the requirements established by the Authority, subject, however, to the ability of the Authority to sell the 1982 Series A Bonds and to the extent of the availability of the proceeds of such 1982 Series A Bonds; and

WHEREAS, the Governmental Agency has requested a loan from the Authority to be evidenced by revenue bonds issued by the Governmental Agency and purchased by the Authority, the proceeds of such loan to be used by the Governmental Agency to pay the portion of the cost of the Project which is not paid from the sources stated in the Application or to refund certain bond anticipation notes or other short-term indebtedness issued in anticipation of said revenue bonds and any additional costs of the Project not so paid; and

WHEREAS, the Authority has made all findings required by Section 5 of the Act with respect to the Project and is willing to make said loan to the Governmental Agency, subject to the terms and provisions hereinafter contained;

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

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," and "water development project" have the definitions and meanings ascribed to them in the Act; provided, that "water development project" means only a "wastewater facility," as also defined in the Act.

1.2 "Consulting Engineers" means the consulting engineer designated in the Application and any successor thereto.

1.3 "Governmental Agency Bonds" means, collectively, the Local Bonds and the Supplemental Bonds, both as hereinafter defined.

1.4 "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.

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Loan, and which will be purchased by the Authority with a portion of the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.6 "Project" means the water development project hereinabove referred to, to be or being constructed by the Governmental Agency with, among other funds, the proceeds of the WDA Loans, as hereinafter defined, or with the proceeds of the bond anticipation notes or other short-term indebtedness refunded with the proceeds of the WDA Loans, as hereinafter defined.

1.7 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Supplemental Loan, as hereinafter defined, and which will be purchased by the Authority with funds other than the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.8 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds, pursuant to this Loan Agreement.

1.9 "System" means the complete sewage system and works owned by the Governmental Agency and any additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

1.10 "WDA Loans" means, collectively, the Loan and the Supplemental Loan.

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

ARTICLE II

Identification of Project; Ownership of Project; Rights of Access Thereto; Governmental Agency Financing

2.1 The Project undertaken by the Governmental Agency shall generally consist of the acquisition, construction and installation of the facilities described in the Application

constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director) and consistent with the standards set by the West Virginia Water Resources Board for the waters of the State of West Virginia affected thereby.

2.2 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall have such rights of access to the Project site and Project facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the Project pursuant to the pertinent provisions of the Act.

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 such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Governmental Agency Bonds.

ARTICLE III

Conditions to WDA Loans; Issuance of Governmental Agency Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Authority's issuing and delivering the 1982 Series A Bonds and subject to the requirements of Section 3.4 hereof and to the fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be a date mutually agreed upon by the Authority and the Governmental Agency and which date shall not be prior to one (1) business day before the scheduled maturity of the Governmental Agency's bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, if any (or earlier redeption date thereof if such notes or other short-term indebtedness are in fact called for redemption), nor later than twenty-seven (27) months from the date the 1982 Series A Bonds are delivered to the initial purchasers thereof; provided that, if such Local Bonds are not delivered on or before the date so mutually agreed upon, the Authority may use monies for the purchase of local bonds of

other governmental agencies in accordance with 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 delivered to the Authority for purchase the Governmental Agency Bonds described in Section 3.2 hereof;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application;

(d) The Governmental Agency shall have obtained all requisite orders of and approvals from the West Virginia Public Service Commission necessary for the issuance of the Governmental Agency Bonds, construction of the Project and imposition of the rates required to comply with the provisions of Subsection 4.1(b)(iii) hereof and shall have taken any other action required for the imposition of such rates;

(e) The Governmental Agency shall have obtained all requisite permits necessary for the construction of the Project from the EPA and the West Virginia Department of Natural Resources;

(f) The Governmental Agency shall have obtained a Step III grant offer from the EPA; and

(g) The Governmental Agency shall have received a certificate, in form and substance satisfactory to the Authority, from the consulting engineer designated by the Authority, regarding the engineering report for the Project.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the WDA Loans to the Governmental Agency and the Governmental Agency shall accept the WDA Loans 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 WDA Loans by purchasing the Governmental Agency Bonds in the principal amount set forth on Schedule X hereto and providing proceeds of not less than $326,000, such Governmental Agency Bonds to consist of a mix of Local Bonds and Supplemental Bonds as will result in annual debt service on the Governmental Agency Bonds, together with the outstanding indebtedness set forth on Schedule X, of not in excess of $50,000. The Local Bonds will be purchased by the

Authority at a price of not less than seventy percent (70%) of the principal amount thereof, and the Supplemental Bonds will be purchased by the Authority at a price equal to one hundred percent (100%) of the principal amount thereof, all as more particularly set forth on Schedule X hereto. The Local Bonds and the Supplemental Bonds shall be issued and sold to the Authority simultaneously. The Governmental Agency represents that the proceeds of the Governmental Agency Bonds will, together with the funds from the sources set forth in the Application, including any bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, and any other funds available to the Governmental Agency and approved by the Authority, pay the entire cost of the Project and refund said bond anticipation notes or other short-term indebtedness.

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

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the sale and the availability of proceeds of the 1982 Series A Bonds at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement and to the right of the Authority to make such loans to other governmental agencies as in the aggregate shall permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the 1982 Series A Bonds.

3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to issue additional Supplemental Bonds in principal amount equal to such deficiency (as determined by the Authority) and sell such additional Supplemental Bonds to the Authority and assign the proceeds thereof to the Authority, which shall use such proceeds to reimburse itself for such deficiency.

ARTICLE IV

Governmental Agency Bonds; Security for WDA Loans; Repayment of WDA Loans; Interest on WDA Loans; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the WDA Loans, authorize

the issuance of and issue the Governmental Agency Bonds pursuant to an official action of the Governmental Agency in accordance with the applicable statute of the State of West Virginia (the "Local Act"), which shall, as enacted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly first to pay operation and maintenance expenses of the System; second, to the extent not otherwise limited by an outstanding local ordinance or resolution, to provide debt service on the Local Bonds, which shall include the establishment of a reserve account for the payment of the Local Bonds into which shall be deposited an amount equal to 20% of all amounts required to be deposited for debt service until such reserve account equals the maximum amount of principal and interest which will come due on such Local Bonds in any year; third, to create a renewal and replacement, or similar, fund in an amount equal to 2-1/2% of the gross revenues from the System, exclusive of the 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 aforesaid reserve account; and, fourth, to pay debt service on the Supplemental Bonds or to purchase Local Bonds on the open market, or to redeem Local Bonds, or to pay debt service on obligations junior and subordinate to the Local Bonds (other than the Supplemental Bonds). The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Governmental Agency Bonds shall be secured by the net revenues from the System;

(ii) That the Supplemental Bonds shall be subordinate to the Local Bonds as to lien and source of payment.

(iii) 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 reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required for debt service on all obligations, including the Governmental Agency Bonds, payable from the revenues of the System;

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

(v) That 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 Governmental Agency Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(vi) 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 financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing;

(vii) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

(ix) That any bondholder 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 Governmental Agency Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(x) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(xi) That, in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xii) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xiii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiv) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xvi) That, except to the extent used to refund notes or other short-term indebtedness issued in anticipation thereof, the proceeds of Governmental Agency Bonds, except for accrued interest, must be deposited in a construction fund on which the holder of the Governmental Agency Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, 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 A.

4.2 The WDA Loans shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are described in Schedule X hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the WDA Loans shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto, and interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or

rates per annum borne by the 1982 Series A Bonds for corresponding maturities issued to provide the funds to make the Loan; provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. The Supplemental Loan will not bear interest.

4.5 The Governmental Agency Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the 1982 Series A Bonds. Such administrative expenses shall be as determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such revenue bonds.

4.7 As long as the Authority is the registered owner of all of the Governmental Agency Bonds outstanding, the Governmental Agency will not redeem such Governmental Agency Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's 1982 Series A Bonds and the redemption premium payable on the 1982 Series A Bonds redeemable as a consequence of such redemption of Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its 1982 Series A Bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

Acquisition of Site of Eligible Project; Certain Construction Requirements

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

5.2 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and

the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the administration of the WDA Loans or of Federal and State grants or other sources of financing for the Project.

5.3 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.

5.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders 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.

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

ARTICLE VI

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

6.1 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 WDA Loans, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, of which the Project constitutes a whole or a part, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(iii) hereof.

6.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Bonds, from the date of the default until the date of the payment thereof.

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

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

ARTICLE VII

Other Agreements of the Governmental Agency

7.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges

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

7.2 To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for Federal financial assistance for pollution abatement in order to maximize the amounts of such Federal financial assistance received or to be received for all water development projects in the State of West Virginia.

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

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

7.5 The Governmental Agency hereby covenants that, to the extent the proceeds of the Governmental Agency Bonds are used to refund notes or other short-term indebtedness of the Governmental Agency issued in anticipation of the issuance of the Governmental Agency Bonds (the "refunding proceeds"), the yield to the Governmental Agency upon any investment of the refunding proceeds shall be restricted and may in no event exceed the yield on the Governmental Agency Bonds. "Yield" shall be calculated in the manner provided in Treasury Regulations §§ 1.103-13 and 1.103-14.

ARTICLE VIII

Maintenance and Operation

8.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Loan Agreement.

8.2 The Governmental Agency agrees that it will permit the Authority and EPA and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project and commencement of operation thereof.

ARTICLE IX

Miscellaneous

9.1 Schedule X shall be attached to this Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act.

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

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

9.4 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.

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

9.6 The Governmental Agency hereby agrees to cooperate with the Authority in amending this Loan Agreement if required by the terms of sale of the 1982 Series A Bonds; provided, that the maximum annual debt service set forth in Section 3.2 shall not be increased by more than five percent (5%).

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 Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

THE TOWN OF NEW HAVEN

(SEAL)

By _____
Its Mayor

Attest:

Date: June 8, 1982

_____
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By _____
Its Director

Attest:

Date: June 9, 1982

_____
Its Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

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

Year	Installment	Interest Rate

The series of Governmental Agency Bonds described in the Loan Agreement as the Supplemental Bonds is in the principal amount of $_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year	Installment

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

We have also examined the applicable provisions of Chapter 16, Article 13, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Governmental Agency Bonds are issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing municipality, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Governmental Agency Bonds, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Governmental Agency Bonds.

5. The rates, fees and other charges for the services and facilities of the system referred to in the Local Act are not subject to approval by the Public Service Commission of West Virginia.

6. The Governmental Agency Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the system referred to in the Local Act and secured by a lien on and pledge of the net revenues of the system referred to in the Local Act, all in accordance with the terms of the Governmental Agency Bonds and the Local Act, and have been duly issued and delivered to the Authority.

7. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bond, as provided in the Local Act.

8. The Governmental Agency Bonds and the interest on the Local Bonds are, by statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

We have examined executed Local Bond numbered R-1 and Supplemental Bond numbered S-1, and in our opinion the form of said bonds and their execution are regular and proper.

Very truly yours,

SCHEDULE X

TOWN OF NEW HAVEN

Description of Governmental Agency Bonds

Principal Amount of Local Bonds	$295,000
Purchase Price of Local Bonds	$249,275
Principal Amount and Purchase Price of Supplemental Bonds	$ 89,500

Interest on Local Bonds payable on April 1 and October 1 in each year beginning with the first semi-annual interest payment date after delivery of Local Bonds to WDA until Local Bonds are paid in full, at coupon interest rate as follows. Principal of Local Bonds and Supplemental Bonds payable on October 1 in each of years as follows:

Year	Coupon Interest Rate of Local Bonds	Principal Amount of Local Bonds	Principal Amount of Supplemental Bonds
1983			$2,418.92
1984			$2,418.92
1985			$2,418.92
1986			$2,418.92
1987			$2,418.92
1988			$2,418.92
1989			$2,418.92
1990			$2,418.92
1991			$2,418.92
1992			$2,418.92
1993			$2,418.92
1994			$2,418.92
1995			$2,418.92
1996			$2,418.92
1997			$2,418.92
1998			$2,418.92
1999			$2,418.92
2000			$2,418.92
2001			$2,418.92
2002			$2,418.92
2003			$2,418.92
2004	12.00%	$ 5,000	$2,418.92
2005	12.00%	$ 10,000	$2,418.92
2006	12.00%	$ 10,000	$2,418.92
2007	12.00%	$ 10,000	$2,418.92
2008	12.00%	$ 10,000	$2,418.92
2009	12.00%	$ 15,000	$2,418.92
2010	12.00%	$ 15,000	$2,418.92
2011	12.00%	$ 15,000	$2,418.92
2012	12.00%	$ 20,000	$2,418.92
2013	10.00%	$ 20,000	$2,418.92
2014	10.00%	$ 20,000	$2,418.92
2015	10.00%	$ 25,000	$2,418.92
2016	10.00%	$ 25,000	$2,418.92
2017	10.00%	$ 30,000	$2,418.92
2018	10.00%	$ 30,000	$2,418.92
2019	10.00%	$ 35,000	$2,418.92

Principal Amount of outstanding indebtedness as of June 1, 1982:

$103,000

Resolution No. _____

Introduced in Council

September 13, 1982

Introduced by

Sarah Libbs

Adopted by Council

September 13, 1982

A Resolution finding that an ordinance was adopted by the Council of the Town of New Haven, West Virginia, on September 13, 1982, amending and supplementing an ordinance enacted by the Council of said Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982, which original ordinance authorized the construction and acquisition of certain extensions, improvements and betterments to the municipal sewage system of the Town of New Haven and the financing of the cost, not otherwise provided, thereof through the issuance by said Town of $451,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, and the renewal thereof, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes as renewed, authorizing the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to refund a portion of such Sewer System Bond Anticipation Notes as renewed, directing the sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to the West Virginia Water Development Authority pursuant to the terms of a loan agreement, dated June 8, 1982, between said Water Development Authority and the Town of New Haven and setting forth certain terms and conditions of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in accordance with said loan agreement, all as more fully set out in said amendatory and supplemental ordinance; finding that an abstract of said amendatory and supplemental ordinance, together with a notice that said amendatory and supplemental ordinance has been adopted, that the Town of New Haven contemplates the issuance of the Subordinate Sewer Revenue Bonds, Series 1982, and the Supplemental Subordinate Sewer Revenue Bonds,

Series 1982, described in said original ordinance as amended and supplemented by said amendatory and supplemental ordinance and that any person interested may appear before the Council of the Town of New Haven upon a certain date and present protests, must be published; reviewing the abstract prepared by the Town Recorder and determining that such abstract contains sufficient information as to give notice of the contents of said amendatory and supplemental ordinance; and directing the publication of such abstract, together with said notice.

WHEREAS, the Council of the Town of New Haven, West Virginia (the "Town"), this day adopted an ordinance amending and supplementing an ordinance enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982 (the "Original Ordinance"), which Original Ordinance authorized the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980 (as renewed by the issuance and exchange therefor of the Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A, in the principal amount of $451,000, the "Notes"), and the issuance by the Town of certain Subordinate Sewer Revenue Bonds to refund the Notes, authorizing the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (collectively, the "1982 Bonds"), to refund a portion of the Notes, directing the sale of the 1982 Bonds to the West Virginia Water Development Authority (the "Authority") pursuant to the terms of a loan agreement, dated June 8, 1982, between the Authority and the Town (the "Loan Agreement") and setting forth certain terms and conditions of the 1982 Bonds in accordance with the Loan Agreement, all as more fully set out in said amendatory and supplemental ordinance (said amendatory and supplemental ordinance is hereinafter referred to as the "Ordinance"); and

WHEREAS, Chapter 16, Article 13, Section 6, of the Code of West Virginia, 1931, as amended (the "Act"), requires that an abstract of the Ordinance, together with a notice that the Ordinance has been adopted, that the Town contemplates

the issuance of the 1982 Bonds described in the Original Ordinance as amended and supplemented by the Ordinance and that any person interested may appear before the Council of the Town upon a certain date and present protests, be published; and

WHEREAS, the Act further requires that such abstract of the Ordinance be determined by the Council of the Town to contain sufficient information as to give notice of the contents of such Ordinance; and

WHEREAS, the Town Recorder presented to this meeting an abstract of the Ordinance (the "Abstract"), together with a notice as described above (the "Notice"), as hereinafter set forth; and

WHEREAS, the Council of the Town has reviewed the Abstract and has found and determined that such Abstract contains sufficient information as to give notice of the contents of the Ordinance;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA, AS FOLLOWS:

(1) It is hereby found and determined that the Ordinance was duly adopted by the Council of the Town at its regular meeting held on September 13, 1982, and that the Act requires the Abstract, together with the Notice, be published.

(2) The Abstract, together with the Notice, as prepared by the Town Recorder in the following form and substance:

> Notice is hereby given to any person interested that on September 13, 1982, the Council of the Town of New Haven, West Virginia (the "Town"), adopted an ordinance which
>
> 1. amends and supplements an ordinance enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982 (the "Original Ordinance"), which Original Ordinance authorized the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town and the financing of the costs, not otherwise provided, thereof through the issuance by the Town of

$451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980 (as renewed by the issuance and exchange therefor of the Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A, in the principal amount of $451,000, the "Notes"), and the issuance by the Town of certain Subordinate Sewer Revenue Bonds to refund the Notes;

2. authorizes the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982 (the "Local Bonds"), and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (the "Supplemental Bonds") (the Local Bonds and the Supplemental Bonds are hereinafter referred to collectively as the "1982 Bonds"), to refund a portion of the Notes;

3. directs the sale of the 1982 Bonds to the West Virginia Water Development Authority (the "Authority") pursuant to the terms of a loan agreement, dated June 8, 1982, between the Authority and the Town (the "Loan Agreement");

4. sets forth the respective forms, amounts and dates of maturities, redemption provisions and other terms and conditions of the 1982 Bonds and the interest rates and interest payment dates of the Local Bonds, there being no interest on the Supplemental Bonds, all in accordance with the Loan Agreement;

5. provides that the Supplemental Bonds are subordinate as to lien and source of and security for payment to the Local Bonds, which are, in turn, subordinate to certain Sewer Revenue Bonds, dated June 1, 1963, of the Town; and

6. authorizes the payment of that portion of the Notes not refunded by the 1982 Bonds with available funds of the Town, not to exceed $70,000.

The Town contemplates the issuance of the 1982 Bonds described in, and under the conditions set forth in, the Original Ordinance as amended and supplemented by the Ordinance, abstracted above. Any person interested may appear before

the Council of the Town of New Haven at a meeting thereof at seven o'clock (7:00) p.m. on Monday, October 11, 1982, in Council Chambers at Town Hall, New Haven, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance, as adopted by the Council of the Town on September 13, 1982, is on file in the office of the Town Recorder for review by interested persons during the regular office hours of such office, to-wit: nine o'clock (9:00) a.m. to four o'clock (4:00) p.m., Mondays through Fridays.

_____
Recorder of the Town of
New Haven, West Virginia

contains sufficient information as to give notice of the contents of the Ordinance.

(3) The Town Recorder, as provided in the Notice, shall maintain in her office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office.

(4) The Council of the Town, as provided in the Notice, shall meet on October 11, 1982, at seven o'clock (7:00) p.m. in Council Chambers at Town Hall for the purpose of hearing all objections and suggestions regarding whether the Ordinance shall be put into effect.

(5) The Town Recorder is hereby authorized and directed to cause the Abstract, together with the Notice, to be published as a Class II legal advertisement in the Point Pleasant Register, a newspaper of general circulation in the Town, and the first publication of such Abstract and Notice shall be not less than ten (10) days before the date set aforesaid at which interested persons may appear before the Council of the Town and present protests, and the last publication of such Abstract and Notice shall be prior to said date set aforesaid.

(6) At such hearing, all objections and suggestions shall be heard, and the Council of the Town shall take such actions as it shall deem proper in the premises; provided, however, that, if at such hearing written protest is filed

by thirty percent (30%) or more of the owners of real estate situate in the Town, then the Council of the Town shall not take further action unless four-fifths (4/5) of the qualified members of said Council assent thereto.

(7) This resolution shall take effect immediately upon adoption.

Affidavit of Publication

Legal Advertisements

TOWN OF NEW HAVEN
NOTICE AND ABSTRACT

Notice is hereby given to any person interested that on September 13, 1982, the Council of the Town of New Haven, West Virginia (the "Town"), adopted an ordinance which

1. amends and supplemented and amended enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982 (the "Original Ordinance"), which Original Ordinance authorized the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town and the financing of the costs, not otherwise provided, thereof through the issuance by the Town of $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980 (as renewed by the issuance and exchange therefor of the Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A, in the principal amount of $451,000, the "Notes"), and the issuance by the Town of certain Subordinate Sewer Revenue Bonds to refund the Notes;

2. authorizes the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982 (the "Local Bonds"), and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (the "Supplemental Bonds") (the Local Bonds and the Supplemental Bonds are hereinafter referred to collectively as the "1982 Bonds"), to refund a portion of the Notes;

3. directs the sale of the 1982 Bonds to the West Virginia Water Development Authority (the "Authority") pursuant to the terms of a loan agreement, dated June 8, 1982, between the Authority and the Town (the "Loan Agreement");

4. sets forth the respective forms, amounts and dates of maturities, redemption provisions and other terms and conditions of the 1982 Bonds and the interest rates and interest payment dates of the Local Bonds, there being no interest on the Supplemental Bonds, all in accordance with the Loan Agreement;

5. provides that the Supplemental Bonds are subordinate as to lien and source of and security for payment to the Local Bonds, which are, in turn, subordinate to certain Sewer Revenue Bonds, dated June 1, 1963, of the Town; and

6. authorizes the payment of that portion of the Notes not refunded by the 1982 Bonds with available funds of the Town, not to exceed $70,000.

The Town comtemplates the issuance of the 1982 bonds described in, and under the conditions set forth in, the Original Ordinance as amended and supplemented by the Ordinance, abstracted above. Any person interested may appear before the Council of the Town of New Haven at a meeting thereof at seven o'clock (7:00) p.m. on Monday, October 11, 1982, in Council Chambers at Town Hall, New Haven, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance, as adopted by the Council of the Town on September 13, 1982, is on file in the office of the Town Recorder for review by interested persons during the regular office hours of such office, to-wit: nine o'clock (9:00) a.m. to four o'clock (4:00) p.m., Mondays through Fridays.

s-Connie R. Ball
Recorder of the Town of
New Haven, West Virginia
9-21,28-2t

the undersigned authority in and for the said
his 28th day September
Sidens, who being be me first duly sworn,
Employee
per of general circulation, printed, published
that the Town of
New Haven

reto annexed, was published in said newspaper for 2
consecutive weeks, the
rst publication thereof having been made as aforesaid in the issue
21st day of September, 1982 and the last issue of the 28th day
September, 19 82

Blanche Sidens

Taken, subscribed and sworn to before me in my said County,
is 28th day of September 1982.

Phyllis L. Roach Notary Public.
y commission expires May 25, 1983
ublication fee, $ 67.71

October 12,1982

Council met in regular session on October 11,1982 at 7:00pm . Council present were Francis Taylor, Harry Hoffman, Ronnie Zerkle, Jack Hesson, and Sarah Gibbs. Mayor Grayson Williamson, and Recorder Connie Ball. Others present were Karl Wiles, Mike Fields, Todd Grinstead,

A motion was made by Francis Taylor and seconded by Harry Hoffman to accept the reading of the previous minutes. Motion Carried. The financial report was read as follows: General Fund $ 1,658.91, Water Dept. $ 2,227.94, Sewer Dept. $15,114.62, Coal Severence Fund, $ 7441.27, Revenue Sharing, $ 11,175.39, Sewer System, $ 3348.98 Money Market Certificates, $ 20,000.00 , Recreation Center $ 206.61 . A motion was made by Sarah Gibbs, and Seconded by Ronnie Zerkle to accept the reading. Motion carried.

Jack Hesson question some of the bills,with Sayre Hardware being one that he wonde why they did not give the town a discount. A motion was made by Jack Hesson and seconded by Sarah Gibbs, to have Jack talk to Sayre Hardware about this matter.

The meeting was opened as a public hearing for the purpose of reading the final resolution on the Sewer Revenue Bonds. The resolution was read by the recorder, and since there were no objections the resolution passed. A Motion was introduced by Francis taylor and seconded by Ronnie Zerkle. Motion carried.

An ordiance pretaining to raising the municipial fee was read by the recorder. T ordiance states that the municipial fee will be raised as follows: Garbage fee from $ 5.00 to $7.00, and Police will stay at $ 2.00.. The total municipial fee will now be $ 9.00 a month. A motion was made by Jack Hesson and seconded by Harry Hoffman to accept the first reading of the ordiance. Motion carried. Francis Taylor obstained from the vote.

Two invoices from VTN were brought before council. Invoice # 31377 was tabled unt the next meeting. Invoice # 31376 was also table. Invoice # 31377 was charged for providing post start up services, Invoice # 31376 was for inspection services during special meeting between the town and VTN and Wilson Const.

A letter was read by the Mayor from Lonnie Newells employer about how much wages' Lonnie lost as a result of appearing in court for Lester Gibbs hearing. THe mayor did not feel that the town was responsible to pay for this as the auliliary do their time on a volunteer basis. He stated that he would talk to the auliliary policeman about this before there was anything settled. The decision was tabled.

Karl Wiles submitted his secondary Treatment COnstruction Budget report. This wil be kept on file.

Mike Fields told the council how much the lift station at the park needs to be replaced. It is old and a new one should take its place. It also has the ability to be covered with water when we have hard rains.

Ronnie Zerkle told the council that Buzzards on Layne Street are building a build on their property and have not applied for a building permit. Also Cardell Harris is putting siding on his house and has not applied for a permit. The zoning board was instructed to check this out.

Mike Fields and the Mayor presented the council with an idea to purchase a new sewer cleaner for the towns people to rent when they have need of one. The town will control the cleaner and it will be rented out on an hourly basis. Jack Hesson made a motion that the cleaner be bought, Ronnie Zerkle seconded the motion. Motion carri

Sarah Gibbs reported that Wades' on 7 th street had a problem before their house. It seems that the sidewalk was protruding up. Wades seem to think that they have a blocked sewer line. THe town will check it out.

THe town will give the refreshments at the Halloween party at the fire station thi year. Judging of the costumes will be held from 7:30 to 8:00 pm.

Ronnie Zerkle said that Sonya Roush had a lid missing off of her water meter. It was to be replaced.

A motion was made by Francis Taylor and Seconded by Jack Hesson for the town to donate 25.00 to the Doc Ohlinger fund payable to the Rescue Squad.

Jack Hesson has been in contact with Tucker Mayes again concerning the railrad crossing, and the streets that need fixed. A man from B & O Railroad was to call Jack Tuesday night in response to the railroad crossing lights.

Francis TAylor brought up the recreation center . She wanted to know if the recorder kept all the books on the center now, and the Mayor advised her that he did.

Mike Fields told tha council that there was a possibility of the Water Dept. taking on the responsibility of putting flouride in the town water system. The state maintains it for i year then the town has it. It is something that will have to be looked into before a final decision is made.

The motion to adjourn was made by Ronnie Zerkle and seconded by Jack Hesson n ried with the next meeting set for Oct. 25,1982.

Resolution No. _____

Introduced in Council

October 11, 1982

Introduced by

Francis Taylor

Adopted by Council

October 11, 1982

A Resolution finding that the Council of the Town of New Haven, West Virginia, adopted an ordinance on September 13, 1982, amending and supplementing an ordinance enacted by the Council of said Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982, which original ordinance authorized the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven and the financing of the cost, not otherwise provided, thereof through the issuance by said Town of $451,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, and the renewal thereof, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes as renewed, authorizing the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to refund a portion of such Sewer System Bond Anticipation Notes as renewed, directing the sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to the West Virginia Water Development Authority pursuant to the terms of a loan agreement, dated June 8, 1982, between said Water Development Authority and the Town of New Haven and setting forth certain terms and conditions of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in accordance with said loan agreement, all as more fully set out in said amendatory and supplemental ordinance; finding that the Council of the Town of New Haven adopted a resolution on September 13, 1982, directing that an abstract of said amendatory and supplemental ordinance, together with a notice that said amendatory and supplemental ordinance has been adopted, that

the Town of New Haven contemplates the issuance of the Subordinate Sewer Revenue Bonds, Series 1982, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1982, described in said original ordinance as amended and supplemented by said amendatory and supplemental ordinance and that any person interested may appear before the Council of the Town of New Haven upon a certain date and present protests, be published; finding that said abstract and notice have been duly published; finding that the Council of the Town of New Haven met and heard all objections and suggestions regarding whether said amendatory and supplemental ordinance should be put into effect; and ordering that said amendatory and supplemental ordinance be put into effect and the Subordinate Sewer Revenue Bonds, Series 1982, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1982, contemplated under said original ordinance as amended and supplemented by said amendatory and supplemental ordinance be issued.

WHEREAS, the Council of the Town of New Haven, West Virginia (the "Town"), on September 13, 1982, adopted an ordinance (the "Ordinance") amending and supplementing an ordinance enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982 (said ordinance enacted on July 8, 1980, as so amended and supplemented is hereinafter referred to as the "Original Ordinance"), which Original Ordinance authorized the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of $451,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, and the renewal thereof (as so renewed, the "Notes"), and the issuance by the Town of certain Subordinate Sewer Revenue Bonds to refund the Notes, authorizing the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982 (the "Local Bonds"), and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (the "Supplemental Bonds")(the Local Bonds and the Supplemental Bonds are hereinafter referred to collectively as the "1982 Bonds"), to refund a portion of the Notes, directing the sale of the 1982 Bonds to the West Virginia Water Development Authority (the "Authority") pursuant to the terms of a loan agreement, dated June 8, 1982, between the Authority and the Town (the

"Loan Agreement") and setting forth certain terms and conditions of the 1982 Bonds in accordance with the Loan Agreement, all as more fully set out in the Ordinance; and

WHEREAS, the Council of the Town, on September 13, 1982, adopted a resolution (the "Resolution") that, pursuant to Chapter 16, Article 13, Section 6, of the Code of West Virginia, 1931, as amended (the "Act"), directed the Town Recorder to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance has been adopted, that the Town contemplates the issuance of the 1982 Bonds described in the Original Ordinance as amended and supplemented by the Ordinance and that any person interested may appear before the Council of the Town upon a certain date and present protests (the "Notice"); and

WHEREAS, the Resolution required that the Abstract, together with the Notice, be published as a Class II legal advertisement in the Point Pleasant Register, and the first publication of such Abstract and Notice was to be not less than ten (10) days before the date set by the Resolution and the Notice at which interested persons might appear before the Council of the Town and present protests, and the last publication of such Abstract and Notice was to be prior to said date; and

WHEREAS, the Resolution and the Notice provided for a public hearing, at which said interested persons might appear, to be held in Council Chambers at Town Hall at seven o'clock (7:00) p.m. on Monday, October 11, 1982;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA:

(1) It is hereby found and determined:

(A) That the Abstract and Notice were duly published in the Point Pleasant Register, a newspaper of general circulation in the Town, with the first publication thereof being on September 21, 1982, which first publication date was not less than ten (10) days before the date set by the Resolution and the Notice at which interested persons might appear before the Council of the Town and present protests, and with the last publication thereof being on September 28, 1982, which last publication date was prior to said date, and a copy of the affidavit of publication reflecting

such publication shall be attached as Exhibit A hereto and incorporated herein;

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

(C) That, in Council Chambers on October 11, 1982, at seven o'clock (7:00) p.m., in accordance with the Resolution and the Notice, the Council of the Town met for the purpose of hearing all objections and suggestions regarding whether the Ordinance should be put into effect, and did hear all such objections and suggestions; and

(D) That, at said public hearing, no significant reasons were presented that could require modification or amendment of the Ordinance, and no written protest with regard thereto was filed by thirty percent (30%) or more of the owners of real estate situate in the Town.

(2) The Ordinance shall be put into effect as of the date hereof, and the 1982 Bonds contemplated under the Original Ordinance, as amended and supplemented by the Ordinance, shall be issued.

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

Resolution No. _____

Introduced in Council

October 25, 1982

Introduced by

Francis Taylor

Adopted by Council

October 25, 1982

A Resolution supplementing an ordinance entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holder of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of the Town of New Haven on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, and further amended and supplemented thereby on September 13, 1982; and providing for the date of initial deposits into the Sinking Fund on account of interest.

WHEREAS, by an ordinance entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holder of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia

Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of the Town of New Haven (the "Town") on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, and further amended and supplemented thereby on September 13, 1982 (collectively, the "Original Ordinance"), the Town authorized the issuance of its Subordinate Sewer Revenue Bonds, Series 1982, in the principal amount of $295,000, and its Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in the principal amount of $89,500; and

WHEREAS, words and phrases used in this Supplemental Resolution and not otherwise defined herein shall have the meanings respectively set forth in the Original Ordinance; and

WHEREAS, Subsection 4.01(A)(1) of the Original Ordinance provides that the Town shall, on the first day of each month, as set forth in the Supplemental Resolution, apportion and set apart out of the Prior Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund," certain amounts on account of interest on the Bonds; and

WHEREAS, it is necessary to set forth the date of initial deposits into the Sinking Fund on account of said interest;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA:

(1) That the initial deposit into the Sinking Fund on account of interest on the Bonds shall be made on the first day of November, 1982; and

(2) That this resolution shall take effect immediately upon this adoption.

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and THE TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act; and

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia to construct, own and operate such a water development project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds and bond anticipation notes or other short-term indebtedness issued by such Governmental Agency; and

WHEREAS, the United States Environmental Protection Agency (the "EPA") has awarded a "Step III" grant offer pursuant to the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, for the construction of a water development project by the Governmental Agency (the "Project") at the location and as more particularly described and set forth in the Application for Loan with attachments and exhibits, dated April 25, 1979, completed by the Governmental Agency and filed with the Authority, as revised and supplemented (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, the Governmental Agency has also received commitments for such other grants, loans and other financial assistance with respect to such water development project as are described and set forth in Schedule A of the Application; and

WHEREAS, the Authority intends to issue its Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), in accordance with the provisions of the Act and the resolution of the Authority duly adopted on November 29, 1978 (the "Bond Resolution"), as supplemented by a series resolution authorizing the 1982 Series A Bonds, the proceeds of such 1982 Series A Bonds to be used by the Authority to purchase the bonds of certain municipalities and public service districts, including the Governmental Agency, which comply with the requirements established by the Authority, subject, however, to the ability of the Authority to sell the 1982 Series A Bonds and to the extent of the availability of the proceeds of such 1982 Series A Bonds; and

WHEREAS, the Governmental Agency has requested a loan from the Authority to be evidenced by revenue bonds issued by the Governmental Agency and purchased by the Authority, the proceeds of such loan to be used by the Governmental Agency to pay the portion of the cost of the Project which is not paid from the sources stated in the Application or to refund certain bond anticipation notes or other short-term indebtedness issued in anticipation of said revenue bonds and any additional costs of the Project not so paid; and

WHEREAS, the Authority has made all findings required by Section 5 of the Act with respect to the Project and is willing to make said loan to the Governmental Agency, subject to the terms and provisions hereinafter contained;

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

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," and "water development project" have the definitions and meanings ascribed to them in the Act; provided, that "water development project" means only a "wastewater facility," as also defined in the Act.

1.2 "Consulting Engineers" means the consulting engineer designated in the Application and any successor thereto.

1.3 "Governmental Agency Bonds" means, collectively, the Local Bonds and the Supplemental Bonds, both as hereinafter defined.

1.4 "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.

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Loan, and which will be purchased by the Authority with a portion of the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.6 "Project" means the water development project hereinabove referred to, to be or being constructed by the Governmental Agency with, among other funds, the proceeds of the WDA Loans, as hereinafter defined, or with the proceeds of the bond anticipation notes or other short-term indebtedness refunded with the proceeds of the WDA Loans, as hereinafter defined.

1.7 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Supplemental Loan, as hereinafter defined, and which will be purchased by the Authority with funds other than the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.8 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds, pursuant to this Loan Agreement.

1.9 "System" means the complete sewage system and works owned by the Governmental Agency and any additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

1.10 "WDA Loans" means, collectively, the Loan and the Supplemental Loan.

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

ARTICLE II

Identification of Project; Ownership of Project; Rights of Access Thereto; Governmental Agency Financing

2.1 The Project undertaken by the Governmental Agency shall generally consist of the acquisition, construction and installation of the facilities described in the Application

constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director) and consistent with the standards set by the West Virginia Water Resources Board for the waters of the State of West Virginia affected thereby.

2.2 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall have such rights of access to the Project site and Project facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the Project pursuant to the pertinent provisions of the Act.

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 such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Governmental Agency Bonds.

ARTICLE III

Conditions to WDA Loans; Issuance of Governmental Agency Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Authority's issuing and delivering the 1982 Series A Bonds and subject to the requirements of Section 3.4 hereof and to the fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be a date mutually agreed upon by the Authority and the Governmental Agency and which date shall not be prior to one (1) business day before the scheduled maturity of the Governmental Agency's bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, if any (or earlier redeption date thereof if such notes or other short-term indebtedness are in fact called for redemption), nor later than twenty-seven (27) months from the date the 1982 Series A Bonds are delivered to the initial purchasers thereof; provided that, if such Local Bonds are not delivered on or before the date so mutually agreed upon, the Authority may use monies for the purchase of local bonds of

other governmental agencies in accordance with 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 delivered to the Authority for purchase the Governmental Agency Bonds described in Section 3.2 hereof;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application;

(d) The Governmental Agency shall have obtained all requisite orders of and approvals from the West Virginia Public Service Commission necessary for the issuance of the Governmental Agency Bonds, construction of the Project and imposition of the rates required to comply with the provisions of Subsection 4.1(b)(iii) hereof and shall have taken any other action required for the imposition of such rates;

(e) The Governmental Agency shall have obtained all requisite permits necessary for the construction of the Project from the EPA and the West Virginia Department of Natural Resources;

(f) The Governmental Agency shall have obtained a Step III grant offer from the EPA; and

(g) The Governmental Agency shall have received a certificate, in form and substance satisfactory to the Authority, from the consulting engineer designated by the Authority, regarding the engineering report for the Project.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the WDA Loans to the Governmental Agency and the Governmental Agency shall accept the WDA Loans 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 WDA Loans by purchasing the Governmental Agency Bonds in the principal amount set forth on Schedule X hereto and providing proceeds of not less than $326,000, such Governmental Agency Bonds to consist of a mix of Local Bonds and Supplemental Bonds as will result in annual debt service on the Governmental Agency Bonds, together with the outstanding indebtedness set forth on Schedule X, of not in excess of $50,000. The Local Bonds will be purchased by the

Authority at a price of not less than seventy percent (70%) of the principal amount thereof, and the Supplemental Bonds will be purchased by the Authority at a price equal to one hundred percent (100%) of the principal amount thereof, all as more particularly set forth on Schedule X hereto. The Local Bonds and the Supplemental Bonds shall be issued and sold to the Authority simultaneously. The Governmental Agency represents that the proceeds of the Governmental Agency Bonds will, together with the funds from the sources set forth in the Application, including any bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, and any other funds available to the Governmental Agency and approved by the Authority, pay the entire cost of the Project and refund said bond anticipation notes or other short-term indebtedness.

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

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the sale and the availability of proceeds of the 1982 Series A Bonds at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement and to the right of the Authority to make such loans to other governmental agencies as in the aggregate shall permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the 1982 Series A Bonds.

3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to issue additional Supplemental Bonds in principal amount equal to such deficiency (as determined by the Authority) and sell such additional Supplemental Bonds to the Authority and assign the proceeds thereof to the Authority, which shall use such proceeds to reimburse itself for such deficiency.

ARTICLE IV

Governmental Agency Bonds; Security for WDA Loans; Repayment of WDA Loans; Interest on WDA Loans; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the WDA Loans, authorize

the issuance of and issue the Governmental Agency Bonds pursuant to an official action of the Governmental Agency in accordance with the applicable statute of the State of West Virginia (the "Local Act"), which shall, as enacted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly first to pay operation and maintenance expenses of the System; second, to the extent not otherwise limited by an outstanding local ordinance or resolution, to provide debt service on the Local Bonds, which shall include the establishment of a reserve account for the payment of the Local Bonds into which shall be deposited an amount equal to 20% of all amounts required to be deposited for debt service until such reserve account equals the maximum amount of principal and interest which will come due on such Local Bonds in any year; third, to create a renewal and replacement, or similar, fund in an amount equal to 2-1/2% of the gross revenues from the System, exclusive of the 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 aforesaid reserve account; and, fourth, to pay debt service on the Supplemental Bonds or to purchase Local Bonds on the open market, or to redeem Local Bonds, or to pay debt service on obligations junior and subordinate to the Local Bonds (other than the Supplemental Bonds). The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Governmental Agency Bonds shall be secured by the net revenues from the System;

(ii) That the Supplemental Bonds shall be subordinate to the Local Bonds as to lien and source of payment.

(iii) 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 reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required for debt service on all obligations, including the Governmental Agency Bonds, payable from the revenues of the System;

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

(v) That 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 Governmental Agency Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(vi) 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 financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing;

(vii) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

(ix) That any bondholder 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 Governmental Agency Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(x) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(xi) That, in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xii) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xiii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiv) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xvi) That, except to the extent used to refund notes or other short-term indebtedness issued in anticipation thereof, the proceeds of Governmental Agency Bonds, except for accrued interest, must be deposited in a construction fund on which the holder of the Governmental Agency Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, 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 A.

4.2 The WDA Loans shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are described in Schedule X hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the WDA Loans shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto, and interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or

rates per annum borne by the 1982 Series A Bonds for corresponding maturities issued to provide the funds to make the Loan; provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. The Supplemental Loan will not bear interest.

4.5 The Governmental Agency Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the 1982 Series A Bonds. Such administrative expenses shall be as determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such revenue bonds.

4.7 As long as the Authority is the registered owner of all of the Governmental Agency Bonds outstanding, the Governmental Agency will not redeem such Governmental Agency Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's 1982 Series A Bonds and the redemption premium payable on the 1982 Series A Bonds redeemable as a consequence of such redemption of Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its 1982 Series A Bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

Acquisition of Site of Eligible Project; Certain Construction Requirements

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

5.2 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and

the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the administration of the WDA Loans or of Federal and State grants or other sources of financing for the Project.

5.3 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.

5.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders 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.

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

ARTICLE VI

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

6.1 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 WDA Loans, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, of which the Project constitutes a whole or a part, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(iii) hereof.

6.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Bonds, from the date of the default until the date of the payment thereof.

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

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

ARTICLE VII

Other Agreements of the Governmental Agency

7.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges

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

7.2 To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for Federal financial assistance for pollution abatement in order to maximize the amounts of such Federal financial assistance received or to be received for all water development projects in the State of West Virginia.

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

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

7.5 The Governmental Agency hereby covenants that, to the extent the proceeds of the Governmental Agency Bonds are used to refund notes or other short-term indebtedness of the Governmental Agency issued in anticipation of the issuance of the Governmental Agency Bonds (the "refunding proceeds"), the yield to the Governmental Agency upon any investment of the refunding proceeds shall be restricted and may in no event exceed the yield on the Governmental Agency Bonds. "Yield" shall be calculated in the manner provided in Treasury Regulations §§ 1.103-13 and 1.103-14.

ARTICLE VIII

Maintenance and Operation

8.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Loan Agreement.

8.2 The Governmental Agency agrees that it will permit the Authority and EPA and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project and commencement of operation thereof.

ARTICLE IX

Miscellaneous

9.1 Schedule X shall be attached to this Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act.

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

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

9.4 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.

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

9.6 The Governmental Agency hereby agrees to cooperate with the Authority in amending this Loan Agreement if required by the terms of sale of the 1982 Series A Bonds; provided, that the maximum annual debt service set forth in Section 3.2 shall not be increased by more than five percent (5%).

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 Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

THE TOWN OF NEW HAVEN

(SEAL) By _____
Its Mayor

Attest: Date: June 8, 1982

_____
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL) By _____
Its Director

Attest: Date: June 9, 1982

_____
Its Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

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

Year	Installment	Interest Rate

The series of Governmental Agency Bonds described in the Loan Agreement as the Supplemental Bonds is in the principal amount of $_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year	Installment

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

We have also examined the applicable provisions of Chapter 16, Article 13, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Governmental Agency Bonds are issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing municipality, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Governmental Agency Bonds, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Governmental Agency Bonds.

5. The rates, fees and other charges for the services and facilities of the system referred to in the Local Act are not subject to approval by the Public Service Commission of West Virginia.

6. The Governmental Agency Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the system referred to in the Local Act and secured by a lien on and pledge of the net revenues of the system referred to in the Local Act, all in accordance with the terms of the Governmental Agency Bonds and the Local Act, and have been duly issued and delivered to the Authority.

7. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bond, as provided in the Local Act.

8. The Governmental Agency Bonds and the interest on the Local Bonds are, by statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

We have examined executed Local Bond numbered R-1 and Supplemental Bond numbered S-1, and in our opinion the form of said bonds and their execution are regular and proper.

Very truly yours,

SCHEDULE X

TOWN OF NEW HAVEN

Description of Governmental Agency Bonds

Principal Amount of Local Bonds	$295,000
Purchase Price of Local Bonds	$249,275
Principal Amount and Purchase Price of Supplemental Bonds	$ 89,500

Interest on Local Bonds payable on April 1 and October 1 in each year beginning with the first semi-annual interest payment date after delivery of Local Bonds to WDA until Local Bonds are paid in full, at coupon interest rate as follows. Principal of Local Bonds and Supplemental Bonds payable on October 1 in each of years as follows:

Year	Coupon Interest Rate of Local Bonds	Principal Amount of Local Bonds	Principal Amount of Supplemental Bonds
1983			$2,418.92
1984			$2,418.92
1985			$2,418.92
1986			$2,418.92
1987			$2,418.92
1988			$2,418.92
1989			$2,418.92
1990			$2,418.92
1991			$2,418.92
1992			$2,418.92
1993			$2,418.92
1994			$2,418.92
1995			$2,418.92
1996			$2,418.92
1997			$2,418.92
1998			$2,418.92

JACKSON, KELLY, HOLT & O'FARRELL
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618 MONONGAHELA BUILDING
P.O. BOX 619
MORGANTOWN, WEST VIRGINIA 26507
TELEPHONE (304) 292-7311

June 30, 1982

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Re: The Town of New Haven, West Virginia

Gentlemen:

We are bond counsel to The Town of New Haven, West Virginia (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement (the "Loan Agreement"), dated June 8, 1982, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of two separate series of revenue bonds of the Governmental Agency (the "Governmental Agency Bonds") to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Governmental Agency Bonds will be issued in the principal amount of $384,500, consisting of such series of Governmental Agency Bonds described in the Loan Agreement as Local Bonds in the principal amount of $295,000 and such series of Governmental Agency Bonds described in the Loan Agreement as Supplemental Bonds in the principal amount of $89,500.

We have also examined the applicable provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Code Provision"), under which the Governmental Agency Bonds will be issued, and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond ordinance duly enacted by the Council of the Governmental Agency on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, as further supplemented and amended on July 28, 1981, as further

amended and supplemented on June 8, 1982, and as further supplemented on June 14, 1982 (the "Local Act"), which, except as hereinafter described, contains provisions and covenants substantially in the form of those set forth in Section 4.1 of 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 that:

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

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

3. The Governmental Agency is a municipal corporation duly organized and presently existing under the laws of the State of West Virginia, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Governmental Agency Bonds, all under the provisions of the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively adopted the Local Act authorizing the issuance and sale to the Authority of certain sewer revenue bonds. As of the date hereof, the Local Act does not authorize revenue bonds to be issued in two separate series as required by the Loan Agreement, but the Local Act can be legally and effectively amended and supplemented to authorize said two separate series as required by the Loan Agreement (the Local Act, as so amended and supplemented, is hereinafter referred to as the "Amended Local Act").

5. The Governmental Agency Bonds when issued pursuant to the Amended Local Act, subject to the terms thereof, will constitute valid and legally enforceable special obligations of the Governmental Agency, payable from, and secured by a lien on and pledge of, the net revenues of the system referred to in the Local Act, all in accordance with the terms of the Governmental Agency Bonds and the Amended Local Act. Said lien on and pledge of the

net revenues of said system are junior, subordinate and inferior to the lien on and pledge of such revenues created on behalf of the Town's Sewer Revenue Bonds dated June 1, 1963, outstanding in the amount of $103,000.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bonds, as provided in the Local Act.

7. The Governmental Agency Bonds and the interest on the Local Bonds are, by statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is exempt from Federal income taxation.

8. Assuming that the status of all material conditions which affect or might affect the Govermental Agency Bond issues remains unchanged, upon delivery of the Governmental Agency Bonds at a later date in return for payment to the Governmental Agency of the principal amount thereof, less the discount on the Local Bonds, an opinion of Bond Counsel in substantially the form hereof, unqualified, including with respect to the Amended Local Act, will be delivered, fully executed and dated on the delivery date of the Governmental Agency Bonds.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

Very truly yours,

Jackson Kelly Holt & O'Farrell

ATTORNEY'S CERTIFICATE OF NO LITIGATION

I, Ronald F. Stein, Attorney for the Town of New Haven, West Virginia (the "Town"), HEREBY CERTIFY as follows:

No proceeding at law or in equity or before any administrative body or litigation of any nature is pending or, to my knowledge, threatened: (a) restraining or enjoining the authorization, issuance, sale, execution or delivery of the Town's $295,000 in aggregate principal amount, or any part thereof, of Subordinate Sewer Revenue Bonds, Series 1982, dated October 27, 1982, or the Town's $89,500 in aggregate principal amount, or any part thereof, of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, dated October 27, 1982 (collectively, the "Bonds"), authorized to be issued by an ordinance passed by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, further amended and supplemented thereby on September 13, 1982, and further supplemented thereby on October 25, 1982 (collectively, the "Ordinance"); (b) in any way questioning or affecting the pledge of the net revenues derived from the operation of the municipal sewage system (the "System") of the Town for the benefit of the Bonds as provided in the Ordinance or the authority of the Town to charge and collect the rates and charges set forth in a rate ordinance enacted by the Council of the Town on March 11, 1980; (c) in any way contesting or affecting the right and power of the Town to issue and sell the Bonds as provided in the loan agreement, dated June 8, 1982, between the Town and the West Virginia Water Development Authority (the "Loan Agreement"), any authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Ordinance, the Loan Agreement or any agreement or instrument relating thereto used or contemplated for use in the consummation of the transactions contemplated by the Loan Agreement; or (d) in any way contesting or affecting the creation, organization, valid existence or powers of the Town or the title of the present mayor, recorder or any members of the Council of the Town to their respective positions.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 27th day of October, 1982.

Ronald F. Stein

CERTIFICATE RE INCUMBENCY, SIGNATURES, DELIVERY, NO LITIGATION, SPECIMEN BONDS AND OTHER MATTERS

We, Grayson Williamson and Connie R. Ball, respectively the Mayor and the Recorder of the Town of New Haven, West Virginia (the "Town"), and Ronald F. Stein, the attorney for the Town, hereby certify as follows in connection with the issuance and delivery by the Town of its $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, dated October 27, 1982 (the "Local Bond"), and its $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, dated October 27, 1982 (the "Supplemental Bond") (the Local Bond and the Supplemental Bond are hereinafter referred to collectively as the "Bonds"), authorized to be issued by an ordinance passed by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, further amended and supplemented thereby on September 13, 1982, and further supplemented thereby on October 25, 1982 (collectively, the "Ordinance").

(1) PROPER NAME: The proper name of the town is "Town of New Haven."

(2) DESCRIPTION OF BONDS: The Local Bond is entitled "Subordinate Sewer Revenue Bond, Series 1982"; is in the principal amount of $295,000; is dated October 27, 1982; and is issued in the form of one bond registered as to principal and interest to the West Virginia Water Development Authority (the "Authority"). The Local Bond is payable in principal installments on October 1 of the years and bears interest on such principal installments from the date of the Local Bond, payable semiannually on April 1 and October 1 of each year, commencing April 1, 1983, at the respective rates, all as follows:

Year	Interest Rate	Principal Installment	Year	Interest Rate	Principal Installmen
2004	12.00%	$ 5,000	2012	12.00%	$20,000
2005	12.00	10,000	2013	10.00	20,000
2006	12.00	10,000	2014	10.00	20,000
2007	12.00	10,000	2015	10.00	25,000
2008	12.00	10,000	2016	10.00	25,000
2009	12.00	15,000	2017	10.00	30,000
2010	12.00	15,000	2018	10.00	30,000
2011	12.00	15,000	2019	10.00	35,000

The Supplemental Bond is entitled "Supplemental Subordinate Sewer Revenue Bond, Series 1982"; is in the principal amount of $89,500; is dated October 27, 1982; and is issued in the form of one bond, registered as to principal to the Authority. The Supplemental Bond does not bear interest and is payable in principal installments of $2,418.92 on October 1 in each of the years from 1983 through 2019, inclusive. As long as the Authority is the registered owner of the Bonds, the Bonds are redeemable only with the written consent of the Authority and as otherwise provided in the Ordinance and the loan agreement, dated as of June 8, 1982, between the Town and the Authority (the "Loan Agreement").

(3) INCUMBENCY: The names and dates of commencement and termination of the terms of office of the Mayor, the Recorder and the members of the Council of the Town, throughout the Bond proceedings, are as follows:

Name	Office	Commencement of Term	Termination of Term
Charles H. Smith	Mayor	July 1, 1978	June 30, 1980
Wendy L. Divers	Recorder	July 1, 1978	June 30, 1980
David Jones	Council	July 1, 1978	June 30, 1980
Virgil Weaver	Council	July 1, 1978	September 12, 1978
Patrick Fields	Council	October 17, 1978	June 30, 1980
James MacKnight	Council	July 1, 1978	June 30, 1980
Jeffrey A. Mankin	Council	July 1, 1978	June 30, 1980
Michael Fields	Council	July 1, 1978	June 30, 1980
Grayson Williamson	Mayor	July 1, 1980	June 30, 1982
Wendy L. Divers	Recorder	July 1, 1980	June 30, 1982
Michael Fields	Council	July 1, 1980	March 31, 1981
Harry Hoffman	Council	June 8, 1981	June 30, 1982
Sarah Gibbs	Council	July 1, 1980	June 30, 1982
James MacKnight	Council	July 1, 1980	June 30, 1982
Frances Taylor	Council	July 1, 1980	June 30, 1982
Frank Young	Council	July 1, 1980	June 30, 1982
Grayson Williamson	Mayor	July 1, 1982	June 30, 1984
Connie R. Ball	Recorder	July 1, 1982	June 30, 1984
Sarah Gibbs	Council	July 1, 1982	June 30, 1984
Jack Hesson	Council	July 1, 1982	June 30, 1984
Harry Hoffman	Council	July 1, 1982	June 30, 1984
Frances Taylor	Council	July 1, 1982	June 30, 1984
Ronnie Zerkle	Council	July 1, 1982	June 30, 1984

(4) SIGNATURES: On the 27th day of October, 1982, in the City of Dunbar, West Virginia, the undersigned Grayson Williamson did officially sign the Local Bond, numbered R-1, and the Supplemental Bond, numbered S-1, being all of the Bonds of the aforesaid issues, and the undersigned Connie R. Ball did officially impress the seal of the Town upon said Bonds and did officially attest said signing and sealing of said Bonds by her manual signature.

(5) OFFICIAL CAPACITY: At the date of such signing of the Bonds, and on the date of delivery thereof, Grayson Williamson and Connie R. Ball were chosen, qualified and acting officers authorized to execute and deliver said Bonds as indicated by their official titles opposite their signatures hereinbelow.

(6) OFFICIAL SEAL: The seal that has been impressed upon the Bonds and also impressed upon this certificate is the legally adopted, proper and only official seal of the Town.

(7) DELIVERY: On the 27th day of October, 1982, in the City of Dunbar, West Virginia, the undersigned Grayson Williamson, for and on behalf of the Town and in exchange for payment therefor, did officially cause the Bonds to be delivered to the Authority.

(8) NO LITIGATION: No controversy or litigation of any nature is now pending, or threatened, contesting the valid existence of the Town, the right and power of the Town to issue and sell the Bonds as provided in the Loan Agreement or the validity or enforceability of the Bonds, the Ordinance, the Loan Agreement or any agreement or instrument relating thereto used or contemplated for use in the consummation of the transactions contemplated by the Loan Agreement; nor restraining, enjoining or affecting in any manner the issuance and delivery of the Bonds; nor in any manner questioning the proceedings and authority by which the Council of the Town authorized the issuance and sale of the Bonds; nor in any manner affecting the validity and binding effect of the Bonds or any provisions made or authorized for the payment thereof or of the Ordinance or the Loan Agreement; nor in any manner questioning the title of the Mayor, the Recorder or the members of the Council of the Town to their respective offices; nor in any manner questioning any proceedings, procedures, act or thing followed, taken, held or done in connection with the Bonds and the issuance thereof for the purposes recited in the Bonds or the accomplishment of said purposes.

(9) OUTSTANDING INDEBTEDNESS: As of the date hereof, there are outstanding Sewer Revenue Bonds, dated June 1, 1963 (the "Prior Bonds"), of the Town in the aggregate principal amount of $103,000, which Prior Bonds have a pledge of and lien on the net revenues to be derived from the municipal sewage system of the Town (the "System") prior and superior to the Bonds. Simultaneously herewith, the Town has paid in full its Sewerage System Bond Anticipation Renewal Note, 1981 Series A (the "Note"), in the principal amount of $451,000; interest has ceased to accrue on the Note; and all obligations of the Town to the Authority as the holder of the Note have been terminated and discharged. The Note was paid by the Town's assigning to the Authority the proceeds of the Bonds and with other available funds of the Town. The use of such other available funds for the payment of the Note was authorized and proper and did not create any lien on or pledge of the net revenues of the System.

(10) LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the construction and acquisition of the additions, betterments and improvements to the System financed in part with the proceeds of the notes renewed by the Note (the "Project") have been acquired or can and will be acquired by purchase or, if necessary, by condemnation by the Town and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions that would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any property that may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Town to pay for the same without jeopardizing the security of or payments on the Bonds.

(11) In response to Section 3.1 of the Loan Agreement: (a) the Town has performed and satisfied all of the terms and conditions to be performed and satisfied by it in the Loan Agreement; (b) the Town has received bids for the Project which are in an amount and otherwise compatible with the plan of financing described in the application for a loan, dated April 25, 1979, as revised and supplemented, submitted to the Authority; (c) the Town has obtained all requisite orders of and approvals from the Public Service Commission of West Virginia necessary for the issuance of the Bonds, construction of the Project and imposition of the rates required to comply with the Loan Agreement and has taken any other action required for the imposition of such rates; (d) the Town has obtained all requisite permits necessary for the Project from the United States Environmental Protection Agency (the "EPA") and the West Virginia Department of Natural Resources; and (e) the Town has obtained a Step III grant offer from the EPA.

(12) Based upon representations by VTN, Inc., consulting engineers for the System: (a) construction of the Project was substantially completed in November 1981; (b) the Project was constructed in accordance with plans and specifications prepared by VTN, Inc.; (c) the Project is situate wholly or chiefly within the boundaries of said Town; and (d) the Project is adequate for the purposes for which it was designed and will have an estimated useful life of at least forty (40) years.

(13) To the best knowledge of the undersigned, no legislation, ordinance, resolution, rule or regulation has been enacted, introduced or favorably reported for passage by any governmental body, department or agency of the State of West Virginia or the Council of the Town, or a decision rendered by any court of competent jurisdiction of such State, which would adversely affect the exemption from all taxation of the Town and all properties owned by it and the exemption from taxes of all bonds and obligations of the general character of the Bonds issued by the Town.

Attached hereto as Exhibit A is a specimen of the Local Bond, and attached hereto as Exhibit B is a specimen of the Supplemental Bond, which, except as to execution, are identical in all respects with the Bonds respectively described herein and delivered to the Authority.

WITNESS our official signatures and the official seal of the Town of New Haven, West Virginia, this 27th day of October, 1982.

[SEAL]

Signature	Title
	Mayor
	Recorder
	Attorney

NUMBER

R-1

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SUBORDINATE SEWER REVENUE BOND, SERIES 1982

$295,000

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), 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 its registered assigns (the "Alternate Payee"), on the first day of October of the years and in the principal installments specified below, the aggregate sum of Two Hundred Ninety-five Thousand Dollars ($295,000) and solely from such special funds also to pay interest on said sum from the date hereof at the rate for each such principal installment specified below on the first day of April and the first day of October in each year beginning April 1, 1983, both principal of and interest on this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, 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, through the Charleston National Bank, Charleston, West Virginia.

Year	Principal Installment	Interest Rate
2004	$ 5,000	12.00%
2005	10,000	12.00
2006	[illegible]	[illegible]
2007		
2008		
2009		
20[illegible]		
2[illegible]		

the applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Town shall be obligated to pay under item (i), above, the principal amount of such refunding bonds outstanding; and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the bonds of the Authority, the Town shall be obligated to pay under item (ii), above, the amount of interest to accrue on such outstanding refunding bonds of the Authority.

This Bond represents the aggregate principal amount, being $295,000, of an authorized issue of Bonds (the "Bonds") issued to refund a portion of certain renewed sewer system bond anticipation notes of the Town (the "Note"), the original of which Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system (the "System") of the Town. The remainder of the Note is being refunded with the proceeds of $89,500 in aggregate principal amount of supplemental subordinate sewer revenue bonds issued contemporaneously herewith (the "Supplemental Bonds") and with certain other available funds of the Town. This Bond is authorized under and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Town Council of the Town on the 8th day of July, 1980, as amended thereby on the 22nd day of July, 1980, as supplemented thereby on the 4th day of August, 1980, as further supplemented and amended thereby on the 28th day of July, 1981,
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the Ordinance, the Town has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of said System and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations, including the Bonds and the Supplemental Bonds, payable from such revenues. The Town has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the holders of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

THE BONDS ARE JUNIOR, SUBORDINATE AND INFERIOR AS TO SOURCE OF PAYMENT AND SECURITY AND IN ALL OTHER RESPECTS TO $103,000 IN PRINCIPAL AMOUNT OF THE TOWN'S SEWER REVENUE BONDS, DATED JUNE 1, 1963, OUTSTANDING ON THE DATE HEREOF.

Additional pari passu bonds may be issued upon compliance with the terms and conditions of the Ordinance, but no further obligations having priority over the Bonds may henceforth be issued by the Town.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Town kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Authority or the Alternate Payee or by his or her or its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Authority or the Alternate Payee, as appropriate, or his or her or its attorney duly authorized in writing. Upon the transfer of this Bond, there shall be issued at the option of the registered holder or the transferee coupon Bonds, with appropriate coupons attached, of the aggregate principal amount equal to the unpaid principal amount of this Bond, and having maturities corresponding to the principal installments of this Bond then unpaid,
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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 said Town, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System of said Town has been pledged to and will be set aside into said special fund by said Town for the prompt payment of the principal of and interest on the Bonds.

All provisions of the ordinances 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 said Town of New Haven, West Virginia, has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Town Recorder, all as of the 27th day of October, 1982.

_____
Mayor

[SEAL]

ATTEST:

_____
Town Recorder

PAYMENT RECORD

Due Date	Pr

NUMBER

R-1

SCHEDULE "A"

Principal Installments on which payments have been made prior to maturity

Principal Due Date	Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$	$		

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer the said Bond on the books of the within-named Town with full power of substitution in the premises.

_____

Dated: _____

In the presence

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SUPPLEMENTAL SUBORDINATE SEWER REVENUE BOND,
SERIES 1982

$89,500

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), 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 its registered assigns (the "Alternate Payee"), in principal installments of $2,418.92 payable on October 1 of each of the years from 1983 through 2019, inclusive, the aggregate sum of Eighty-nine Thousand Five Hundred Dollars ($89,500) in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through the Charleston National Bank, Charleston, West Virginia.

This Bond is subject to redemption prior to its stated date of maturity only with the written consent of the Authority, so long as it is the registered owner hereof.

This Bond represents the aggregate principal amount, being $89,500, of an authorized issue of Bonds (the "Bonds") issued to refund a portion of certain renewed sewer system bond anticipation notes
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equally and ratably from and by the funds and revenues and other security provided for the Second Lien Bonds under the Ordinance.

The Bonds are payable only from and secured by the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town, which net revenues shall be sufficient to pay the principal of, and interest on, all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same except from said special fund provided from the net revenues from the operation of said System. By the Ordinance, the Town has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of said System and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations, including the Second Lien Bonds and the Bonds, payable from such revenues. Notwithstanding any of the foregoing, the lien on, pledge of and security for payment of the Bonds from such revenues are junior and subordinate to the lien on, pledge of and security for payment from such revenues created by the Ordinance on behalf of the Second Lien Bonds. The Town has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the holders of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

THE BONDS ARE THIRD LIEN OBLIGATIONS OF THE TOWN. BOTH THE BONDS AND THE SECOND LIEN BONDS ARE JUNIOR,
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This Bond shall be exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

All money received from the sale of this Bond shall be applied solely to refunding the Note, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of the Bonds.

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

All provisions of the ordinances 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 said Town of New Haven, West Virginia has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Town Recorder, all as of the 27th day of October, 1982.

_____
Mayor

[SEAL]

ATTEST:

_____
Town Recr

SCHEDULE "A"

Principal Installments on which payments have been made prior to maturity

Principal Due Date	Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$	$		

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer the said Bond on the books of the within-named Town with full power of substitution in the premises.

Dated: _____

In the prese

ARBITRAGE CERTIFICATE

I, Grayson Williamson, Mayor of the Town of New Haven, West Virginia (the "Issuer"), hereby certify and reasonably expect with respect to the Issuer's $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, dated October 27, 1982 (the "Local Bond"), and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, dated October 27, 1982 (the "Supplemental Bond")(the Local Bond and the Supplemental Bond are hereinafter referred to collectively as the "Bonds"), authorized by an ordinance passed by the Council of the Issuer on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, further amended and supplemented thereby on September 13, 1982, and further supplemented thereby on October 25, 1982 (collectively, the "Ordinance"), as follows:

1. The original proceeds of the Bonds, being $338,775, will be assigned to the West Virginia Water Development Authority (the "Authority") as payment on October 27, 1982, of a portion of the Town's Sewerage System Bond Anticipation Renewal Note, 1981 Series A (the "Note"), in the principal amount of $451,000, owned by the Authority.

2. The Issuer will secure the payment of its Local Bond by creating over a period of approximately six (6) years a reserve account that shall equal the maximum amount of principal and interest becoming due on the Local Bond in any year (the "Reserve Account").

3. Except for the aforesaid Reserve Account, the Renewal and Replacement Fund, the Sinking Fund and the Subordinate Bond Debt Service Account established pursuant to the Ordinance, the Issuer has not created or established, nor does it expect to create or establish, any other sinking fund or similar fund.

4. Any money deposited in the Sinking Fund, other than in the Reserve Account therein, and any money deposited in the Subordinate Bond Debt Service Account will be spent within a thirteen-month period beginning with the date of receipt, and any money received from the investment of amounts held in the Sinking Fund, other than the Reserve Account therein, or in the Subordinate Bond Debt Service Account will be spent within a one-year period beginning on the date of receipt.

5. The original notes of which the Note is a renewal were used to finance in part the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system (the "Project") of the Issuer pending issuance of the Bonds. Construction of the Project was substantially completed in November 1981. The Project will not be sold or otherwise disposed of in whole or in part prior to the maturity of the Bonds.

6. As set forth in Paragraph 1, above, the entire proceeds of the Bonds will be used immediately upon the receipt thereof to prepay the principal of the Note. Such proceeds will not be deposited into any funds or accounts of the Issuer but will be assigned directly to the Authority as the owner of the Note. The remainder of the Note, together with interest accrued thereon, will be paid simultaneously by other funds available to the Town. At no time will the Bonds and the Note be simultaneously outstanding. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

7. To the best of my knowledge, information and belief, the above expectations are reasonable.

8. The Issuer has not been notified of any listing of it by the Internal Revenue Service as an issuer which may not certify its bonds.

9. This certificate is being executed and delivered pursuant to Sections 1.103-13, 1.103-14 and 1.103-15 of the Treasury Regulations published in the Federal Register on June 7, 1979, and the undersigned Mayor of the Issuer is one of the officers of the Issuer charged with the responsibility of issuing the Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of October, 1982.

Grayson Nickerson
Mayor

JACKSON, KELLY, HOLT & O'FARRELL
ATTORNEYS AT LAW
P. O. BOX 553
CHARLESTON, WEST VIRGINIA 25322
1500 ONE VALLEY SQUARE
TELEPHONE (304) 347-7500 TELECOPIER (304) 346-5148
WRITER'S DIRECT DIAL NO. (304) 347-7

618 MONONGAHELA BUILDING
P. O. BOX 619
MORGANTOWN, WEST VIRGINIA 26507
TELEPHONE (304) 292-7311

October 27, 1982

Town of New Haven
Town Hall
New Haven, WV 25265

Gentlemen:

We have examined a record of proceedings relating to the issuance of $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (collectively, the "Bonds"), of the Town of New Haven, West Virginia (the "Town"), a municipal corporation organized and existing under the laws of the State the Code of West Virginia.

In connection with such examination, we have reviewed the certification of even date herewith of Grayson Williamson, Mayor of the Town, relating to the expectation that the proceeds of the issuance of the Bonds will not be used in a manner which would cause any of the Bonds to be an "arbitrage bond" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended.

Based upon our examination of the law and a review of such certification, it is our opinion that the Bonds will not be "arbitrage bonds" for the purposes of Section 103(c) and Sections 1.103-13, 1.103-14 and 1.103-15 of the Treasury Regulations published in the Federal Register on June 7, 1979.

No matters have come to our attention which in our opinion make unreasonable or incorrect the representations made in such certification.

Very truly yours,

Jackson, Kelly, Holt & O'Farrell

JACKSON, KELLY, HOLT & O'FARRELL
ATTORNEYS AT LAW
P. O. BOX 553
CHARLESTON, WEST VIRGINIA 25322
1500 ONE VALLEY SQUARE
TELEPHONE (304) 347-7500 TELECOPIER (304) 346-5148
WRITER'S DIRECT DIAL NO.(304) 347-7

618 MONONGAHELA BUILDING
P. O. BOX 619
MORGANTOWN, WEST VIRGINIA 26507
TELEPHONE (304) 292-7311

October 27, 1982

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Gentlemen:

We are bond counsel to the Town of New Haven, West Virginia (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement, dated June 8, 1982 (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of two separate series of revenue bonds of the Governmental Agency, dated October 27, 1982 (the "Governmental Agency Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The series of Governmental Agency Bonds described in the Loan Agreement as Local Bonds is in the principal amount of $295,000, designated Subordinate Sewer Revenue Bonds, Series 1982, issued in the form of one bond registered as to principal and interest to the Authority (the "Local Bond"), and with interest payable April 1 and October 1 of each year, beginning April 1, 1983, at the respective rate or rates and with principal payable in installments on October 1 in each of the years, all as follows:

Year	Interest Rate	Installment	Year	Interest Rate	Installment
2004	12.00%	$ 5,000	2012	12.00%	$20,000
2005	12.00	10,000	2013	10.00	20,000
2006	12.00	10,000	2014	10.00	20,000
2007	12.00	10,000	2015	10.00	25,000
2008	12.00	10,000	2016	10.00	25,000
2009	12.00	15,000	2017	10.00	30,000
2010	12.00	15,000	2018	10.00	30,000
2011	12.00	15,000	2019	10.00	35,000

The series of Governmental Agency Bonds described in the Loan Agreement as Supplemental Bonds is in the principal amount of $89,500, designated Supplemental Subordinate Sewer Revenue Bonds, Series 1982, issued in the form of one bond registered as to principal to the Authority (the "Supplemental Bond"), without interest thereon and with principal payable in installments of $2,418.92 on October 1 in each of the years from 1983 through 2019, inclusive.

The Governmental Agency Bonds are issued for the purpose of refunding a portion of certain renewed sewerage system bond anticipation notes of the Governmental Agency (the "Note"), in the aggregate principal amount of $451,000, the original of which Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town (the "Project")(said system, together with the Project and any further additions, betterments and improvements thereto, is hereinafter referred to as the "System").

We have also examined the applicable provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Code Provision"), under which the Governmental Agency Bonds are issued, and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond ordinance duly enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, further amended and supplemented thereby on September 13, 1982, and further supplemented thereby on October 25, 1982 (the "Local Act"), which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

1. The Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a

valid and binding obligation of the Governmental Agency enforceable in accordance with the terms thereof.

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

3. The Governmental Agency is a duly organized and presently existing municipality, with full power and authority to construct, acquire, operate and maintain the Project and to issue and sell the Governmental Agency Bonds, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Governmental Agency Bonds.

5. The rates, fees and other charges for the services and facilities of the System are not subject to approval by the Public Service Commission of West Virginia.

6. The Governmental Agency Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the System and secured by a lien on and pledge of the net revenues of the System, all in accordance with the terms of the Governmental Agency Bonds and the Local Act, and have been duly issued and delivered to the Authority; provided, that the lien on and pledge of said net revenues on behalf of the Governmental Agency Bonds are junior and subordinate to those on behalf of the Governmental Agency's Sewer Revenue Bonds, dated June 1, 1963, outstanding in the aggregate principal amount of $103,000 as of the date hereof and further described in the Local Act; and provided, further, that the lien on and pledge of said net revenues on behalf of the Supplemental Bond are also junior and subordinate to those on behalf of the Local Bond.

7. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bond, as provided in the Local Act.

8. The Governmental Agency Bonds and the interest on the Local Bond are, by statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

We have examined executed Local Bond numbered R-1 and Supplemental Bond numbered S-1, and in our opinion the form of said bonds and their execution are regular and proper.

Very truly yours,

Jackson Kelly Holt & O'Farrell

RECEIPT FOR BONDS

The undersigned, on behalf of the West Virginia Water Development Authority (the "Authority"), hereby certifies as follows:

1. On the 27th day of October, 1982, in the City of Dunbar, West Virginia, the undersigned received for and on behalf of the Authority the entire issue of Subordinate Sewer Revenue Bonds, Series 1982 (the "Local Bond"), and the entire issue of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (the "Supplemental Bond") (the Local Bond and the Supplemental Bond are hereinafter referred to collectively as the "Bonds"), of the Town of New Haven, West Virginia (the "Town"), authorized to be issued by an ordinance enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 21, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, further amended and supplemented thereby on September 13, 1982, and further supplemented thereby on October 25, 1982 (collectively, the "Ordinance"). The Local Bond is in the principal amount of $295,000; dated October 27, 1982; issued in the form of one bond, registered as to principal and interest to the Authority; payable in principal installments on October 1 of the years and bearing interest on such principal installments from the date of the Local Bond, payable semiannually on April 1 and October 1 of each year, commencing April 1, 1983, at the respective rates, all as follows:

Year	Interest Rate	Principal Installment	Year	Interest Rate	Principal Installmen
2004	12.00%	$ 5,000	2013	10.00%	$20,000
2005	12.00	10,000	2014	10.00	20,000
2006	12.00	10,000	2015	10.00	25,000
2007	12.00	10,000	2016	10.00	25,000
2008	12.00	10,000	2017	10.00	30,000
2009	12.00	15,000	2018	10.00	30,000
2010	12.00	15,000	2019	10.00	35,000
2011	12.00	15,000			
2012	12.00	20,000			

The Supplemental Bond is in the principal amount of $89,500; is dated October 27, 1982; is issued in the form of one bond, registered as to principal to the Authority; does not bear interest; and is payable in principal installments of $2,418.92 on October 1 in each of the years from 1983 through 2019, inclusive. As long as the Authority is the registered

owner of the Bonds, the Bonds are redeemable only with the written consent of the Authority, and as otherwise provided in the Ordinance and the Loan Agreement, dated June 8, 1982, between the Town and the Authority.

2. At the time of such receipt of the Bonds, each Bond had been executed by Grayson Williamson, Mayor of the Town, by his manual signature, and attested by Connie R. Ball, Recorder of the Town, by her manual signature, and the official seal of the Town had been impressed upon said Bonds.

3. At the time of such receipt of the Bonds, there was paid to the Town $338,775, being $249,275 as the purchase price of the $295,000 in principal amount of the Local Bond and $89,500 as the purchase price of the $89,500 in principal amount of the Supplemental Bond, which proceeds were assigned to the Authority as payment of a portion of the Town's Sewerage System Bond Anticipation Renewal Note, 1981 Series A, in the principal amount of $451,000, which assignment the Authority hereby specifically accepts.

4. The Authority hereby acknowledges receipt of a peer review certificate relating to the Town's sewage system project in connection with the closing of the Authority's Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A.

IN WITNESS WHEREOF, the West Virginia Water Development Authority has duly signed and delivered this Receipt for Bonds on this 27th day of October, 1982.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Edgar N. Henry
Its Director

Requisition as to Loan to Governmental Agency

To CHARLESTON NATIONAL BANK, Trustee

A. Name of Governmental Agency to which payment is to be made: Town of New Haven, West Virginia.

B. Total Amount to be paid: $249,275.

(1) From Loan Account: $236,500.

(2) From Complemental Loan Account: $12,775.

C. Amount of Loan: $295,000.

D. Certification by Water Development Authority: I hereby certify that under the terms and provisions of the Loan Agreement providing for the Loan to the above-captioned Governmental Agency, dated, as to the Authority, as of June 9, 1982, said Governmental Agency has sold its Local Bonds to the Authority in the principal amount equal to the amount of the Loan set forth in C above, that such Governmental Agency is obligated to make Local Bonds Payments and to pay fees and charges in accordance with Section 9.09 of the General Resolution and that such Governmental Agency is not in default under any of the terms or provisions of said Loan Agreement.

Authorized Representative
West Virginia Water Development Authorit

Date: October 27, 1982

RECEIPT FOR PAYMENT

I, Grayson Williamson, Mayor of the Town of New Haven, West Virginia (the "Town"), hereby certify as follows:

1. On the 27th day of October, 1982, in the City of Dunbar, West Virginia, on behalf of the Town, I delivered to the West Virginia Water Development Authority (the "Authority") the entire issue of Subordinate Sewer Revenue Bonds, Series 1982 (the "Local Bond"), and the entire issue of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (the "Supplemental Bond")(the Local Bond and the Supplemental Bond are hereinafter referred to collectively as the "Bonds"), of the Town, authorized to be issued by an ordinance passed by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, further amended and supplemented thereby on September 13, 1982, and further supplemented thereby on October 25, 1982 (collectively, the "Ordinance"). The Local Bond is in the principal amount of $295,000; dated October 27, 1982; issued in the form of one bond, registered as to principal and interest to the Authority; payable in principal installments on October 1 of each year from 2004 through 2019, inclusive; and bearing interest on such principal installments from the date of the Local Bond, payable semiannually on April 1 and October 1 of each year, commencing April 1, 1983, at the respective rates set forth therein. The Supplemental Bond is in the principal amount of $89,500; is dated October 27, 1982; is issued in the form of one bond, registered as to principal to the Authority; does not bear interest; and is payable in principal installments of $2,418.92 on October 1 in each of the years from 1983 through 2019, inclusive. As long as the Authority is the registered owner of the Bonds, the Bonds are redeemable only with the written consent of the Authority and as otherwise provided in the Ordinance and the loan agreement, dated as of June 8, 1982, between the Town and the Authority.

2. At the time of such delivery of the Bonds, each Bond had been executed by me as Mayor of the Town, by my manual signature, and attested by Connie R. Ball, Recorder of the Town, by her manual signature, and the official seal of said Town had been impressed upon said Bonds.

3. At the time of delivery of the Bonds, there was paid to the Town the proceeds thereof, being $249,275 as the proceeds of the Local Bond and $89,500 as the proceeds of the Supplemental Bond, as follows:

Assigned to the Authority for payment of a portion of the Town's Sewerage System Bond Anticipation Renewal Note, 1981 Series A (the "Note"), and wire transferred to Kanawha Valley Bank, N.A., for the account of the Authority:	$249,275
By state warrant assigned to the Authority for payment of a portion of the Note:	$ 89,500
Total Proceeds:	$338,775

This Receipt for Payment confirms the assignment of Bond proceeds to the Authority contemplated by Article V of the Ordinance and specifically assigns such Bond proceeds as set forth above.

Witness my signature and seal of the Town of New Haven, West Virginia, this 27th day of October, 1982.

[SEAL]

Mayor

CERTIFICATE OF REGISTRATION

I, Larrie Bailey, Treasurer of the State of West Virginia, and Registrar under the ordinance, as amended and supplemented, authorizing the $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, of the Town of New Haven, West Virginia (the "Town"), hereby certify that on the 27th day of October, 1982, a single bond, designated "Subordinate Sewer Revenue Bond, Series 1982," in the denomination of $295,000, numbered R-1, dated October 27, 1982, payable in principal installments from 2004 through 2019, inclusive, and bearing interest on such principal installments from the date of said bond at the respective rates set forth therein, was registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the said Town kept for that purpose at my office, and a single bond, designated "Supplemental Subordinate Sewer Revenue Bond, Series 1982," in the denomination of $89,500, numbered S-1, dated October 27, 1982, payable in principal installments of $2,418.92 on October 1 in each of the years from 1983 through 2019, inclusive, and not bearing interest was registered as to principal in the name of "West Virginia Water Development Authority" in the books of the Town kept for that purpose at my office.

Witness my signature as of this 27th day of October, 1982.

Larrie Bailey, Treasurer
State of West Virginia

R-1

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SUBORDINATE SEWER REVENUE BOND, SERIES 1982

$295,000

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), 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 its registered assigns (the "Alternate Payee"), on the first day of October of the years and in the principal installments specified below, the aggregate sum of Two Hundred Ninety-five Thousand Dollars ($295,000) and solely from such special funds also to pay interest on said sum from the date hereof at the rate for each such principal installment specified below on the first day of April and the first day of October in each year beginning April 1, 1983, both principal of and interest on this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, 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, through the Charleston National Bank, Charleston, West Virginia.

"SPECIMEN"

Year	Principal Installment	Interest Rate
2004	$ 5,000	12.00%
2005	10,000	12.00
2006	10,000	12.00
2007	10,000	12.00
2008	10,000	12.00
2009	15,000	12.00
2010	15,000	12.00
2011	15,000	12.00
2012	20,000	12.00
2013	20,000	10.00
2014	20,000	10.00
2015	25,000	10.00
2016	25,000	10.00
2017	30,000	10.00
2018	30,000	10.00
2019	35,000	10.00

This Bond is subject to redemption prior to its stated date of maturity only with the written consent of the Authority, so long as it is the registered owner hereof; and, so long as any of the Authority's bonds issued with respect to this Bond are outstanding, any redemption of this Bond authorized by the Authority must provide for a redemption price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Town of all or a part of this Bond, (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv)

the applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Town shall be obligated to pay under item (i), above, the principal amount of such refunding bonds outstanding; and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the bonds of the Authority, the Town shall be obligated to pay under item (ii), above, the amount of interest to accrue on such outstanding refunding bonds of the Authority.

This Bond represents the aggregate principal amount, being $295,000, of an authorized issue of Bonds (the "Bonds") issued to refund a portion of certain renewed sewer system bond anticipation notes of the Town (the "Note"), the original of which Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system (the "System") of the Town. The remainder of the Note is being refunded with the proceeds of $89,500 in aggregate principal amount of supplemental subordinate sewer revenue bonds dated contemporaneously herewith (the "Supplemental Bonds") and with certain other available funds of the Town. This Bond is authorized under and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Town Council of the Town on the 8th day of July, 1980, as amended thereby on the 22nd day of July, 1980, as supplemented thereby on the 4th day of August, 1980, as further supplemented and amended thereby on the 28th day of July, 1981, as further supplemented and amended thereby on the 8th day of June, 1982, as further supplemented thereby on the 14th day of June, 1982, as further amended and supplemented thereby on the 13th day of September, 1982, and as further supplemented thereby on the 25th day of October, 1982 (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. In addition to authorizing the Supplemental Bonds, the Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

The Bonds are payable only from and secured by the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town, which net revenues shall be sufficient to pay the principal of, and interest on, all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same or the interest hereon except from said special fund provided from the net revenues from the operation of said System. By

the Ordinance, the Town has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of said System and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations, including the Bonds and the Supplemental Bonds, payable from such revenues. The Town has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the holders of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

THE BONDS ARE JUNIOR, SUBORDINATE AND INFERIOR AS TO SOURCE OF PAYMENT AND SECURITY AND IN ALL OTHER RESPECTS TO $103,000 IN PRINCIPAL AMOUNT OF THE TOWN'S SEWER REVENUE BONDS, DATED JUNE 1, 1963, OUTSTANDING ON THE DATE HEREOF.

Additional pari passu bonds may be issued upon compliance with the terms and conditions of the Ordinance, but no further obligations having priority over the Bonds may henceforth be issued by the Town.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Town kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Authority or the Alternate Payee or by his or her or its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Authority or the Alternate Payee, as appropriate, or his or her or its attorney duly authorized in writing. Upon the transfer of this Bond, there shall be issued at the option of the registered holder or the transferee coupon Bonds, with appropriate coupons attached, of the aggregate principal amount equal to the unpaid principal amount of this Bond, and having maturities corresponding to the principal installments of this Bond then unpaid, or another fully registered Bond or fully registered Bonds of the aggregate principal amount equal to the unpaid principal amount of this Bond upon transfer hereof.

SPECIMEN

This Bond is exchangeable at the option and expense of the registered holder hereof for other fully registered Bonds in the denomination of $5,000 or any integral multiple thereof or for coupon Bonds in the denomination of $5,000 each, in aggregate principal amount equal to the amount of this Bond then outstanding, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of this Bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange or any transfer. The coupon Bonds for which this Bond is exchanged shall have appropriate interest coupons for interest due and unpaid or to come due attached.

This Bond and interest hereon shall be exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

All money received from the sale of this Bond shall be applied solely to refunding the Note, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of the Bonds.

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

All provisions of the ordinances 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 said Town of New Haven, West Virginia, has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Town Recorder, all as of the 27th day of October, 1982.

_____
Mayor

[SEAL]

ATTEST:

_____
Town Recorder

"SPECIMEN" "SPECIMEN" "SPECIMEN"

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment (%)	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$			

SCHEDULE "A"

Principal Installments on which payments have been made prior to maturity

Principal Due Date	Principal Due Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$	$		

FORM OF ASSIGNMENT

"SPECIMEN"

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer the said Bond on the books of the within-named Town with full power of substitution in the premises.

_____

Dated: _____

In the presence of: _____

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto The Charleston National Bank, Charleston, West Virginia, the sewer revenue bond of the Town of New Haven, West Virginia, in the principal amount of $295,000, No. R-1 herewith, standing in the name of West Virginia Water Development Authority on the books of said Governmental Agency.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Thomas Allison
Chairman

Dated: October 27, 1982