

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

Closing: August 31, 1995

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

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AMENDATORY AND SUPPLEMENTAL BOND ORDINANCE

AN ORDINANCE AMENDING AND SUPPLEMENTING THE BOND AND NOTE ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, AS AMENDED BY THE AMENDATORY AND SUPPLEMENTAL BOND AND NOTE ORDINANCE PASSED BY SAID COUNCIL ON JULY 21, 1992, ALL AS SUPPLEMENTED PRIOR TO THE DATE OF INTRODUCTION HEREOF; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONAL EXTENSIONS, IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF LOGAN; AUTHORIZING ISSUANCE OF NOT MORE THAN \$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995, OF THE CITY OF LOGAN TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF OR AVAILABLE TO THE CITY OF LOGAN THAT MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION; PROVIDING FOR THE SALE OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BONDS; AND ENACTING OTHER PROVISIONS RELATING THERETO.

Be It Enacted and Ordained by the Council of The City of Logan, West Virginia:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. Except as provided below, terms used in this Amendatory Ordinance have the meanings set forth in the Original Ordinance, as hereinafter defined, as amended by this Amendatory Ordinance, unless the context expressly requires otherwise.

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

B. "Amendatory Ordinance" means this ordinance as hereafter amended or supplemented.

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

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

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

F. "Operating Expenses" includes the fees and charges due to the trustee for the Authority's bonds pursuant to Section 4.7 of the 1995 Loan Agreement, and fees and expenses of the Authority and any default interest thereon, all to the extent such are not capitalized from the proceeds of the 1995 Bonds.

G. "Ordinance" means the Original Ordinance, as hereinafter defined, as amended and supplemented by this Amendatory Ordinance and as further amended or supplemented. Unless the context clearly requires to the contrary, references to "this Ordinance" in the Original Ordinance mean the Ordinance.

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

I. "Phase III Project" means the extensions, improvements and betterments to the existing sewerage system of the City described in Exhibit A attached hereto and incorporated herein by reference.

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

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

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

L. "Supplemental Resolution" means any ordinance or resolution of the Council amending or supplementing this Amendatory Ordinance and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the 1995 Bonds; provided, that any matter intended by this Amendatory Ordinance to be included in the Supplemental Resolution with respect to the 1995 Bonds and not so included may be included in another Supplemental Resolution.

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

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

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

P. "1995 Loan Agreement," "1995 WDA Loan Agreement" or "1995 Authority Loan Agreement" means the Loan Agreement between the Authority and the City, in substantially the form attached as Exhibit B hereto and incorporated herein by reference, with any changes, insertions or deletions as may be requested by the Authority and approved by the Supplemental Resolution, providing for the purchase of the 1995 Bonds from the City by the Authority.

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

R. The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Amendatory Ordinance;

and the term "hereafter" means after the date of enactment of this Amendatory Ordinance. Unless the context clearly requires to the contrary, the use of such terms in the Original Ordinance refers to the Ordinance.

Section 1.02. Authority of this Amendatory Ordinance. This Amendatory Ordinance is enacted pursuant to the provisions of the Original Ordinance, the Act and other applicable provisions of law and, so long as any of the 1964 Bonds is outstanding, is supplemental to the Ordinance authorizing the 1964 Bonds (the "Prior Ordinance") and, so long as any of the Bonds is Outstanding, is amendatory of and supplemental to the Original Ordinance.

Section 1.03. Findings. In addition to those findings set forth in the Original Ordinance, it is hereby found, determined and declared as follows:

A. The Sanitary Board has presented a petition to the City for acquisition and construction of the Project, enactment of this Amendatory Ordinance, and issuance of the 1995 Bonds.

B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the City that the Project be acquired and constructed in accordance with the plans and specifications prepared by the Consulting Engineers, subject to the approval of the EPA, the issuance of a certificate of convenience and necessity by the PSC and any more specific authorizations by the Supplemental Resolution, which plans and specifications are on file with the Sanitary Board and the City Clerk and of which the Phase III Project is generally described in Exhibit A hereto.

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

D. It is deemed necessary for the City to issue its 1995 Bonds in the aggregate principal amount of not more than \$600,000 to finance costs of construction and acquisition of the Project. Said costs shall be deemed to include the costs of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the 1995 Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project; engineering, fiscal and

legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident for determining the feasibility or practicability or the enterprise; administrative expense, any fees or expenses of the Authority and any default interest thereon, Origination Fee, commitment fees, discount, initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the 1995 Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the City for any amounts expended by it for allowable costs prior to the issuance of the 1995 Bonds or the repayment of indebtedness incurred by the City for such purposes shall be deemed costs of the Project.

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

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

G. The issuance of the 1995 Bonds on a basis subordinate to the 1964 Bonds and on a parity with the Prior Subordinate Bonds are being authorized in an effort to aid in the abatement or reduction of the pollution of waters and streams situate in and about the City, including the Guyandotte River. The City derives revenues from the System, and said revenues are pledged or encumbered only in connection with the Prior Bonds and the Note.

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

I. The estimated revenues to be derived in each year after the enactment of this Amendatory Ordinance from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Prior Bonds and the 1995 Bonds and all sinking fund and other payments provided for in the Prior Ordinance and the

Ordinance. It is in the best interest of the City that its 1995 Bonds be sold to the Authority pursuant to the terms and provisions of the 1995 Authority Loan Agreement.

J. The City has complied with all requirements of West Virginia law relating to authorization of and construction, acquisition and operation of the Project and issuance of the 1995 Bonds or will have so complied prior to issuance thereof, including, among other things, the obtaining of a certificate of convenience and necessity from the PSC by final order.

K. The Code provides exceptions from the rebate provisions for issues of small governmental units meeting certain requirements. It is in the best interest of the City and its inhabitants to qualify for the small governmental unit exception from the rebate provisions. Accordingly, it is hereby found and determined:

(1) The City is a governmental unit with general taxing powers.

(2) The 1995 Bonds are not private activity bonds as defined by the Code.

(3) Ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the 1995 Bonds will be used for local governmental activities of the City.

(4) The City reasonably expects that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City and all subordinate entities thereof during the calendar year in which the 1995 Bonds will be issued will not exceed \$5,000,000. The City reasonably expects to issue the 1995 Bonds in 1995.

L. The City will not permit, at any time, any of the proceeds of the 1995 Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code.

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

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

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

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

ARTICLE II

AUTHORIZATION OF PROJECT

Section 2.01. Authorization of Project. There is hereby authorized the acquisition and construction of the Project in accordance with the plans and specifications therefor prepared by the Consulting Engineers; provided, that such plans and specifications, and the acquisition and construction of the Project in accordance therewith, are subject to the issuance of a certificate of convenience and necessity by the PSC and to any specific authorization by the Supplemental Resolution.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, AND SALE OF 1995 BONDS; AUTHORIZATION AND EXECUTION OF 1995 AUTHORITY LOAN AGREEMENT

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

Section 3.02. Terms of 1995 Bonds. The 1995 Bonds shall be originally issued in the form of a single bond, designated Subordinate Sewerage System Revenue Bond, Series 1995, Number R-1, fully registered to the Authority, in the principal amount of not more than \$600,000, as shall be set forth in the Supplemental Resolution. The 1995 Bonds shall be dated the date of delivery thereof; shall bear interest at the rate per annum, not to exceed 12%, as shall be set forth in the Supplemental Resolution, payable semi-annually, on April 1 and October 1 of each year, beginning with the date set forth in the Supplemental Resolution; shall be subject to redemption only with the written consent of the Authority and upon payment of the interest and redemption premium, if any, and subject to the other requirements and otherwise in compliance with the 1995 Loan Agreement, so long as the Authority shall be the Owner of the 1995 Bonds; and shall mature in principal installments on October 1 of each of the years and in the amounts set forth in the 1995 Loan Agreement "Schedule X" to be approved by the Supplemental Resolution.

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

Section 3.04. 1995 Bonds Not To Be Indebtedness of the City. The 1995 Bonds shall not, in any event, be or constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues and otherwise as provided in the Ordinance. No Owner or Owners of any of the 1995 Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the 1995 Bonds or the interest thereon.

Section 3.05. 1995 Bonds Secured by Subordinate and Parity Pledge of Net Revenues. The payment of the debt service of all of the 1995 Bonds shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, which lien is junior, subordinate and inferior to that on account of the 1964 Bonds and which lien is on a parity with that on account of the Prior Subordinate Bonds and any other Subordinate Bonds that may be issued pursuant to the Ordinance. Such Net Revenues, in an amount sufficient, after paying the principal of and interest on the 1964 Bonds and making the other payments required under the Prior Ordinance, to pay the principal of and interest on the Bonds, and to make the payments required into the Sinking Fund and the Reserve Account therein, the Renewal and Replacement Fund, and the Supplemental Sinking Fund and the Supplemental Reserve Account therein, all as established in the Original Ordinance and as continued hereby, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.06. Form of 1995 Bonds. The text of the 1995 Bonds shall be in substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Amendatory Ordinance or by any Supplemental Resolution adopted or enacted prior to the issuance thereof:

[Form of 1995 Subordinate Bond]

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

No. R_____

\$_____

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

Interest on each installment shall run from the date of this Bond and until payment of such installment, and such interest shall be payable on the 1st day of April and the 1st day of October in each year beginning _____ 1, 19____. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of _____, as registrar (the "Registrar"), on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

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

The series of bonds of which this Bond is one (the "Bonds") are issued (i) to pay costs of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City (the "Project") (said existing system, together with the Project and any further extensions, improvements or betterments thereto, is hereinafter

referred to as the "System")]; (ii) to pay interest on the Bonds during and for six months after completion of construction of the Project; (iii) to fund the Reserve Account, as hereinafter defined; and (iv)] and (ii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and the Ordinance duly passed by the Council of the City on August 11, 1987, as amended by the Amendatory and Supplemental Bond and Note Ordinance passed by said Council on July 21, 1992, all as supplemented, and as amended and supplemented by the Amendatory and Supplemental Bond Ordinance duly passed by the Council of the City on the ___ day of ___, 1995, and as supplemented by a resolution duly adopted by the Council of the City on ___, 19 (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, [moneys in the Reserve Account created under the Ordinance (the "Reserve Account")] and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues[, the moneys in the Reserve Account] and unexpended Bond proceeds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the proper and reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, as hereinafter defined, and on all obligations secured by or payable from such revenues prior to or on a parity with the Bonds, including the 1964 Bonds and the Prior Subordinate Bonds, both as hereinafter defined; provided, however, that so long as there exists in the Reserve Account sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year and on the Prior Subordinate Bonds in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds, including said 1964 Bonds, are funded at the respective requirements

therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Registrar kept for that purpose at the office of the Registrar by the registered owner or by its attorney or legal representative duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney or legal representative duly authorized in writing.

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

THIS BOND IS JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS TO THE CITY'S SEWER REVENUE BONDS DATED AS OF MARCH 1, 1964, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "1964 BONDS").

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS (EXCEPT FOR ITS LIEN ON THE PROCEEDS HEREOF) TO THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "1987 SUBORDINATE BONDS"), AND THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1993, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "1993 SUBORDINATE BONDS"; TOGETHER WITH THE 1987 SUBORDINATE BONDS, THE "PRIOR SUBORDINATE BONDS").

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State

of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, THE CITY OF LOGAN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, and has caused this Bond to be dated _____, 1995.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Subordinate Sewerage System Revenue Bonds, Series 1995, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on the date set forth below.

Date: _____

as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

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

Dated: _____, ____.

In the presence of:

Section 3.07. Sale of 1995 Bonds; Execution of 1995 Authority Loan Agreement. The 1995 Bonds shall be sold to the Authority pursuant to the terms and conditions of the 1995 Authority Loan Agreement; provided, that the City must satisfy certain legal and other requirements of the Program. Execution and delivery to the Authority of the 1995 Authority Loan Agreement by the Mayor and the Clerk are hereby specifically authorized, directed, confirmed and ratified. The 1995 Authority Loan Agreement is specifically incorporated in this Amendatory Ordinance.

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

A. The City must receive the written approval of the Authority for the issuance of the 1995 Bonds on a parity with the Prior Subordinate Bonds while the Prior Supplemental Bonds remain Outstanding.

B. There must be procured and filed with the City Clerk a written statement by the Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments set forth in Section 7.08 of the Ordinance, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of the 1995 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the Project, shall not be less than One Hundred Fifteen Percent (115%) of the maximum debt service in any succeeding year on the following:

(1) the 1964 Bonds and any other obligations secured by or payable from the revenues prior to or on a parity with the 1995 Bonds;

(2) the Prior Subordinate Bonds then Outstanding;

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

(4) the 1995 Bonds.

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

D. The 1995 Bonds shall not be issued unless all the payments into the respective funds and accounts provided for in the Prior Ordinance and in the Original Ordinance, respectively, on account of the Prior Bonds outstanding and any other payments provided for in the Ordinance shall have been made in full as required to the date of delivery of the 1995 Bonds.

Section 3.09. Certificate of Consulting Engineers. Prior to the issuance of the 1995 Bonds, the City must obtain the certificate of the Consulting Engineers in the form attached to the City's Program loan application, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Project is adequate for the purposes for which it was designed, and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project.

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Continuance of Funds and Accounts with the Depository Bank. The Revenue Fund and the Renewal and Replacement Fund established by the Ordinance are hereby continued and shall apply to the 1995 Bonds with the same effect as if they had been created hereunder.

Section 4.02. Continuance of Funds and Accounts with Commission. A. The Sinking Fund and the Reserve Account therein established by the Ordinance are hereby continued and shall apply to the 1995 Bonds with the same effect as if they had been created hereunder. The amounts to be deposited into the Sinking Fund and the Reserve Account prescribed by Section 5.03 of the Ordinance shall be increased as required to provide for payment of the 1995 Bonds as provided by the Ordinance; provided, that the 1995 Reserve Account Requirement is based on the then current or any succeeding year.

B. Deposits into the Sinking Fund required by Subsection 5.03(C)(1) of the Ordinance shall be adjusted if necessary for the first interest payment date on the 1995 Bonds less than seven months after issuance of the 1995 Bonds or completion of construction of the Project, as applicable.

C. Deposits into the Reserve Account required by Subsection 5.03(C)(3) of the Ordinance shall be increased so that 1/120th of the Reserve Account Requirement with respect to the Prior Subordinate Bonds and 1/120th of the 1995 Reserve Account Requirement on account of the 1995 Bonds shall be deposited each month.

D. Subsection 5.03(C)(4) of the Original Ordinance is hereby amended and re-enacted to read as follows:

- (4) Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Subordinate Bonds as the same shall become due. Moneys in the Reserve Account in the Sinking Fund shall be used only for the purpose of paying principal of or interest on the Subordinate Bonds, as the same shall become due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Sinking Fund and the Reserve Account shall be transferred, not less than once each year, to the Bond Construction Trust Fund prior to completion of the Phase I Project, to the 1993 Bond Construction Trust Fund prior to the completion of the Phase II Project, to the 1995 Bond Construction Trust Fund prior to the completion of the Project, and thereafter to the Revenue Fund or the Prior Revenue Fund, as the case may be.

Section 4.03. Authorized by Original Ordinance. The deposits into the funds and accounts described in this section are made pursuant to Subsection 5.03(F) of the Ordinance.

ARTICLE V

APPLICATION OF 1995 BOND PROCEEDS; FUNDS AND ACCOUNTS; TRANSFERS AND EXISTING FUNDS

Section 5.01. Application of 1995 Bond Proceeds. From the monies received from the sale of any or all of the 1995 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. If required by the Supplemental Resolution, the amount of the proceeds which shall be at least sufficient to pay interest on the 1995 Subordinate Bonds for the period specified in the Supplemental Resolution shall be deposited in the Sinking Fund at the Commission; provided, that such period may not extend beyond the date which is six months after the estimated date of completion of construction of the Project.

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

C. The remaining monies derived from the sale of the 1995 Bonds shall be deposited by the City in the 1995 Bond Construction Trust Fund and applied to the cost of the Project, including but not limited to payment of the cost of issuance, repayment of any Authority Step 1 or Step 2 Loan and, if determined to be in the best interests of the City, repayment of the Note.

Section 5.02. 1995 Bond Construction Trust Fund. The 1995 Bond Construction Trust Fund is hereby established with the Depository Bank. It shall be kept separate and apart from all other funds of the City, including the Bond Construction Trust Fund created under the Original Ordinance, and used and applied by the City solely for the payment of the cost of the Project, which include but are not limited to the cost of the issuance of the 1995 Bonds as well as construction of the Project, as more fully set out in Section 1.03(D), and for no other purposes whatsoever. Unless invested in Qualified Investments, the monies in said fund shall be secured at all times by the deposit in the Depository Bank, as security, of direct obligations of the United States of America, having a fair market value at least equal to the balance in said fund in excess of the amount insured by the FDIC. Any monies not needed immediately for said purposes shall be invested in Qualified Investments having maturities so as to enable the monies to be available as deemed necessary by the Consulting Engineers and otherwise in accordance with Article VIII. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds (1) may, during the period of three years from the date of issuance of the Authority's bonds with the proceeds of which the 1995 Bonds are purchased, be used for construction and acquisition of the remainder of the Project or other capital construction or acquisition needs of the System; (2) thereafter, shall be used to make up any deficiency in the Reserve Account or to fund the Reserve Account at the respective requirements therefor; and (3) if the reserve accounts are fully funded and no deficiencies exist, shall be deposited by the City in escrow with an escrow trustee and used to redeem 1995 Bonds at the first redemption date and, prior thereto, to pay a proportionate amount of principal of the 1995 Bonds by depositing in the Sinking Fund an amount which bears the same ratio to the principal coming due in that year as the excess proceeds bore to the initial aggregate principal amount of the 1995 Bonds.

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

Section 5.03. Origination Fee Account. An Origination Fee Account is hereby established with the trustee for the Authority's bonds issued to fund the purchase of the 1995 Bonds. The portion of the proceeds of the 1995 Bonds, if any, designated by the Supplemental Resolution for the Origination Fee shall be first credited to the 1995 Bond Construction Trust Fund and then deposited in the Origination Fee Account. Amounts may be disbursed from the Origination Fee Account only to pay the Origination Fee as and when required to satisfy the requirements of the State's revolving fund program established pursuant to Title VI of the Water Quality Act of 1987 or for such other purposes as the Authority may approve in writing.

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

Section 6.01. Covenants. All the covenants, agreements and provisions set forth in the Original Ordinance shall be and constitute valid and legally binding covenants of the City and be enforceable in any court of competent jurisdiction by any Owner or Owners of the 1995 Bonds as if they were set forth in full in this Amendatory Ordinance. The following shall also apply with respect to the 1995 Bonds.

Section 6.02. Rates. Prior to the issuance of the 1995 Bonds, equitable rates or charges for the use of and services rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The rates and charges shall be effective as prescribed by State statute and the rules and regulations of the PSC. The schedule of rates and charges shall at all times be adequate to produce gross revenues from the System sufficient to pay operating expenses and to make the prescribed payments into the funds and accounts created under the Prior Ordinance and the Ordinance and to enable the 1995 Bonds to be issued as Bonds on a parity with the Prior Subordinate Bonds.

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

Project and will maintain the System in good condition and will operate the same as a revenue producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of the System in the manner provided in the Ordinance.

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

Section 6.04. Sale of the System. When only the 1995 Bonds are Outstanding, in addition to the circumstances allowing sale or other disposition of the System pursuant to Section 6.06 of the Ordinance, the City may sell or otherwise dispose of all or a part of the System as otherwise required by State law or with the written consent of the Authority.

Section 6.05. Parity Bonds. With the written consent in advance of the Authority and anything to the contrary in Sections 6.07 or 6.08 of the Ordinance notwithstanding, Parity Bonds may be authorized and issued by the City pursuant to a Supplemental Resolution solely to complete the Project as described in the City's Program application to the Authority as of the date of the 1995 Authority Loan Agreement and in accordance with the plans and specifications, in the event that the 1995 Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of acquisition and construction of the Project; provided, however, that prior to the issuance of such Parity Bonds under the provision of this paragraph, the Consulting Engineers shall file with the Clerk a certificate to the effect that additional funds are necessary for such purpose. All such Parity Bonds authorized and issued under the provisions of this section shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Project, and the maturities of any such Parity Bonds shall be in years and amounts suggested by the Authority.

Section 6.06. Insurance. In addition to the insurance required by Section 6.09 of the Ordinance, the City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority, so long as the Authority is the Owner of the 1995 Bonds. The City will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the City, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance

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

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

Section 6.08. Books, Records and Reports. In addition to the requirements set forth in Section 6.13 of the Ordinance, the report of the required audit shall include a statement that the City is in compliance with the terms and provisions of the 1995 Authority Loan Agreement and the Ordinance and that the revenues from the System are adequate to meet its operation and maintenance expenses and debt service requirements. The City shall timely file or cause to be filed all reports and certificates required by the 1995 Authority Loan Agreement.

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

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

Section 6.10. Covenant to Amend Ordinance. The City retains the right to make any amendments, insertions or deletions by Supplemental Resolution to the Ordinance as the City deems desirable or necessary prior to the issuance of the 1995 Bonds, including but not limited to amendments, insertions and deletions to comply with the Code. Notwithstanding the provisions of Section 11.01 of the Ordinance, the City shall without consent of the Owners of any Bonds amend or supplement the Ordinance by a resolution supplemental thereto or any amendatory ordinance to comply with the Code if such amendment or supplement is necessary to preserve the tax-exempt status of the Bonds. The Council of the City hereby retains the specific authority to amend the Ordinance or supplement it by resolution to comply with the Code. In its determination to amend or supplement the Ordinance, the City may rely upon the opinion of nationally recognized bond counsel.

The City also retains the right to make any amendments, insertions or deletions by Supplemental Resolution of the Ordinance as the City deems necessary prior to the issuance of the 1995 Bonds to meet the requirements of the Authority.

Section 6.11. Public Purpose Bonds. The City shall use the 1995 Bond proceeds solely for the Project and as otherwise set forth herein, and the Project will be operated solely for a public purpose and as a local governmental activity of the City. The City will timely provide to the Authority any information with respect to the proceeds required by the 1995 Authority Loan Agreement.

Section 6.12. Private Activity Bond Covenant. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be use directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code by reason of the classification of the Bonds as private activity bonds within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to maintain the tax-exempt status of the Bonds.

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

Section 6.14. Federal Guarantee Covenant. The 1995 Bonds, in whole or in part, are not and will not be directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

Section 6.15. Rebate Covenant. The City is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System. As covenanted above, the 1995 Bonds are not private activity bonds within the meaning of the Code, and ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the 1995 Bonds will be used for local governmental activities of the City. The City reasonably expects it and all its subordinate entities to issue less than \$5,000,000 in aggregate face amount of tax-exempt bonds (other than private activity bonds) during the calendar year, being 1995, in which the 1995 Bonds are to be issued. Therefore, the City believes that it is excepted from the rebate requirements of Section 148(f) of the Code. Notwithstanding the foregoing, if the City is in fact subject to such rebate requirements, the City hereby covenants to rebate to the United States the amounts required by the Code and to take all steps necessary to make such rebates as further described in Section 7.03. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the tax-exempt status of interest on the 1995 Bonds.

Section 6.16. Further Action. The City will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the income on the Bonds will be and remain excludable from gross income in federal income tax purposes and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

ARTICLE VII

INVESTMENT OF FUNDS

Section 7.01. Investments Particular to the 1995 Bonds. Except as otherwise specifically provided in the Ordinance, any investments shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, including, but not limited to those in the 1995 Bond Construction Trust Fund, and used for the purpose of such fund or account. The interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Interest earnings on the Sinking Fund, including the Reserve Account therein, shall be transferred at least annually prior to completion of the Phase I Project, to the Bond Construction Trust Fund and, thereafter, prior to completion of the Phase II Project, to the 1993 Bond Construction Trust Fund, and, thereafter, to the 1995 Bond Construction Trust Fund and, thereafter, to the Prior Revenue Fund or the Revenue Fund, as the case may be.

Section 7.02. Arbitrage. The City covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the 1995 Bonds which would cause the 1995 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the 1995 Bonds) so that the interest on the 1995 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusions. The City shall take any and all actions, and refrain from taking any actions, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the Authority's bonds used to fund the purchase of the 1995 Subordinate Bonds.

Section 7.03. Tax Certificate and Rebate. The City shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the 1995 Bonds. In addition, the City covenants to comply with all

regulations from time to time in effect and applicable to the 1995 Bonds as may be necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Authority's bonds used to fund the purchase of the 1995 Bonds and fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

If it is determined that the City does not qualify for an exception to Section 148 of the Code or the City is otherwise subject to rebate in connection with the 1995 Bonds, the City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the City shall deposit, or cause to be deposited, with the Depository Bank in a separate fund designated the Rebate Fund, such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder, if any, and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the City shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the City. To the extent not so performed by the Authority, the City and the Depository Bank (at the expense of the City) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03.

The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the 1995 Bonds from gross income for federal income tax purposes.

The City shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the City qualifies for the small governmental issue exception to rebate or any other exception therefrom, then the City shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the 1995 Bonds subject to rebate. The City shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as defined in the Code.)

Section 7.04. Restriction of Yield and Bond Proceeds. The City shall comply with the yield restriction on Bond proceeds as set forth in Section 148 of the Code.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Appointment of Receiver. In addition to the powers set forth in Section 9.03 of the Ordinance, any receiver appointed pursuant to that section shall also have the power to construct the Project.

ARTICLE IX

MISCELLANEOUS

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

Section 9.02. Repeal of Conflicting Ordinances. All ordinances, orders or resolutions, or parts thereof, in conflict with the Ordinance are, to the extent of such conflict, repealed;

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

Section 9.03. Covenant of Due Procedure. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Amendatory Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and constitution of the State applicable thereto; and that the Mayor, Clerk and members of the City Council were at all times when any actions in connection with this Ordinance occurred, and are, duly in office and duly qualified for such office.

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

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

THE CITY OF LOGAN, WEST VIRGINIA

Tom Espartero
MAYOR

ATTEST: [SEAL]

Vickie Luke
CITY CLERK

This Ordinance approved as to form:

Edward J. Eiland
CITY ATTORNEY

ABB06FAF

PHASE III PROJECT DESCRIPTION

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

Exhibit B

1995 LOAN AGREEMENT

WDA-5
(May 1993)

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and the governmental agency designated below (the "Governmental Agency").

(Governmental Agency)

W I T N E S S E T H:

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

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

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to construct, operate and improve a water development project, as defined by the Act, and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

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

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a certain general revenue bond resolution adopted by the Board of the Authority (the "General Resolution"), as supplemented, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's water development loan program (the "Program") as hereinafter set forth.

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

ARTICLE I

Definitions

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

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political sub-divisions, and designated in the Application and any qualified successor thereto.

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

Now administered by the West Virginia Division of Environmental Protection.

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

[Proper Name of Governmental Agency]

(SEAL)

By: _____

Its: _____

Attest:

Date: _____

Its: _____

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: _____
Director

Attest:

Date: _____

Secretary-Treasurer

ABB0017F

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____, Consulting Engineers, _____, hereby certify that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____ County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19____, effective _____, 19____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority") dated _____, 19____.

1. The Bonds are being issued for the purpose of _____

(the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least forty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the _____ of the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) (ii) of the Loan Agreement, (vi) that the net proceeds of the Bonds, together with all other moneys on deposit or to be

simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this ____ day of _____, 19__.

By: _____

West Virginia License No. _____

[SEAL]

EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

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

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

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

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

We have also examined the applicable provisions of _____
_____ of the Code of West Virginia, 1931, as

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

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

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

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

3. The Governmental Agency is a duly organized and presently existing _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the [net] revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the [net] revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

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

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

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

Very truly yours,

EXHIBIT C

Monthly Financial Report

[Name of Governmental Agency]

[Name of Bond Issue]

Fiscal Year - _____

Report Month: _____

	<u>ITEM</u>	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>	<u>BUDGET YEAR TO DATE</u>	<u>DIFFERENCE</u>
1.	Gross Revenues Collected				
2.	Operation and Maintenance Expense				
3.	Other Bond Debt Payments (including Reserve Fund deposits)				
4.	Bond Payments (include Reserve Fund deposits)				
5.	Renewal and Replacement Fund Deposit				
6.	Funds available for capital construction				

Witnesseth my signature this ____ day of _____, 19__.

[Name of Governmental Agency]

By: _____
Authorized Officer

ABB0017F

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

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

AN ORDINANCE AMENDING AND SUPPLEMENTING THE BOND AND NOTE ORDINANCE PASSED BY THE COUNCIL OF THE CITY OF LOGAN, WEST VIRGINIA, ON AUGUST 11, 1987, AS AMENDED BY THE AMENDATORY AND SUPPLEMENTAL BOND AND NOTE ORDINANCE PASSED BY SAID COUNCIL ON JULY 21, 1992, ALL AS SUPPLEMENTED PRIOR TO THE DATE OF INTRODUCTION HEREOF; AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONAL EXTENSIONS, IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF LOGAN; AUTHORIZING ISSUANCE OF NOT MORE THAN \$600,000 IN AGGREGATE PRINCIPAL AMOUNT OF SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995, OF THE CITY OF LOGAN TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF OR AVAILABLE TO THE CITY OF LOGAN THAT MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION; PROVIDING FOR THE SALE OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNER OF SUCH BONDS; AND ENACTING OTHER PROVISIONS RELATING THERETO.

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

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

maturities, principal amounts, redemption provisions and other terms of the Bonds should be established by a supplemental resolution and that other matters relating to the Bonds be herein provided for; and

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

WHEREAS, the Council of the City deems it essential and desirable that the Bonds be issued for the purposes of paying the costs, not otherwise provided, of acquisition and construction of the Project, funding capitalized interest, and of paying certain costs of issuance and related costs; and

WHEREAS, the Council of the City further deems it essential and desirable that this resolution (the "Supplemental Resolution") be adopted and that the date, series, interest rate, maturities, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, that the Loan Agreement be approved, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, be it resolved by the Council of The City of Logan, West Virginia, as follows:

(1) The City does hereby authorize the acquisition and construction of the Project in accordance with the plans and specifications prepared by the Consulting Engineers and the provisions of the Ordinance.

(2) Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Subordinate Sewerage System Revenue Bonds, Series 1995, in the aggregate principal amount of \$273,980 (the "Bonds"), all in the form set forth below and in the Ordinance:

(a) The Bonds of the City shall be originally issued in the form of a single bond, numbered R-1 and designated Series 1995, in the principal amount of \$273,980. The Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of six and three fourths percent (6.75%) per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1995, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and subject to the other requirements provided in the Loan Agreement, as long as the Authority shall be the

registered owner of the Bonds, and shall be payable in installments of principal on October 1 of each of the years from 1996 through 2033, inclusive, and in the amounts as set forth in "Schedule X," attached to the Loan Agreement and incorporated therein and herein by reference.

(3) All other provisions relating to the Bonds shall be as provided in the Ordinance, and the Bonds shall be in substantially the form provided in the Ordinance with such changes, insertions and omissions as may be approved by the Mayor of the City. The execution of the Bonds by the Mayor shall be conclusive evidence of such approval.

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

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

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

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

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

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

(10) The undersigned Thomas E. Esposito, duly elected Mayor of the City and the undersigned Vickie Luke, duly elected Clerk of the City, or other appropriate officers and employees of the City and the Sanitary Board are hereby authorized and directed to perform all acts, conditions, things and procedures required to exist, to be performed or to be taken to execute and deliver the Bonds and are hereby authorized and directed to execute and deliver such other documents and certificates, including the Registrar's Agreement, required or desirable in connection with the Bonds hereby and by the Ordinance approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about August 22, 1995.

(11) The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. It will take all actions necessary to comply with the Code and the Regulations promulgated thereunder.

(12) The City and all subordinate entities reasonably expect to issue less than \$5,000,000 in aggregate principal amount of tax-exempt bonds (other than private activity bonds) during the calendar year 1995, and the City believes that it is excepted from the rebate requirement of Section 148(f) of the Code.

(13) The City does hereby authorize the investment and reinvestment of all moneys held as part of the funds and accounts created by the Ordinance, by the Commission or the Depository Bank, as the case may be, at the direction of the City, in any Qualified Investment, to the fullest extent possible under applicable laws and the terms and provisions of the Ordinance.

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

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

Resolution adopted August 18, 1995.

THE CITY OF LOGAN, WEST VIRGINIA

By Don Esposito
Mayor

ATTEST:

Lickie Luke
City Clerk

[SEAL]

ABB09C18

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Subordinate Sewerage System Revenue Bonds, Series 1995, in the aggregate principal amount of \$377,980 (the "Bonds"), all in the form set forth below and in the Ordinance:

(a) The Bonds of the City shall be originally issued in the form of a single bond, numbered R-1 and designated Series 1995, in the principal amount of \$377,980. The Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of six and three fourths percent (6.75%) per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1995, shall be subject to redemption upon the written consent of the Authority, and upon

payment of the interest and redemption premium, if any, and subject to the other requirements provided in the Loan Agreement, as long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal on October 1 of each of the years from 1996 through 2033, inclusive, and in the amounts as set forth in "Schedule X," attached to the Loan Agreement and incorporated therein and herein by reference.

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

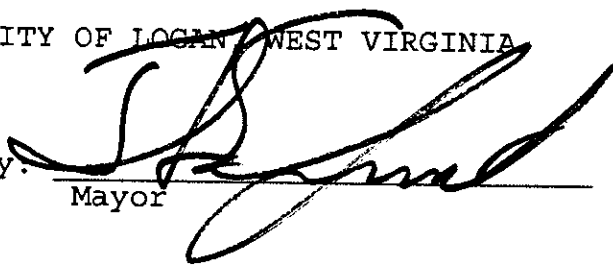
4. All the proceeds of the Bonds except the capitalized interest shall be credited to the 1995 Bond Construction Trust Fund; provided, however, that certain proceeds may, rather than being deposited in the 1995 Bond Construction Trust Fund, be paid directly by the Authority as directed by the City. Specifically,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

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

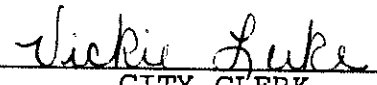
6. This Amendatory Resolution shall be effective immediately upon adoption.

Resolution adopted August 30, 1995.

CITY OF LOGAN, WEST VIRGINIA

By: 
Mayor

ATTEST:


CITY CLERK

(SEAL)

ABB0A1FB

BOND DEBT SERVICE

SCHEDULE X

West Virginia Water Development Authority
City of Logan

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

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Aug 31, 1995	-	-	-	-	-
Oct 1, 1995	-	-	2,197.01	2,197.01	2,197.01
Apr 1, 1996	-	-	12,756.83	12,756.83	-
Oct 1, 1996	2,326.00	6.750%	12,756.83	15,082.83	27,839.86
Apr 1, 1997	-	-	12,678.32	12,678.32	-
Oct 1, 1997	2,484.00	6.750%	12,678.32	15,182.32	27,840.64
Apr 1, 1998	-	-	12,594.49	12,594.49	-
Oct 1, 1998	2,651.00	6.750%	12,594.49	15,245.49	27,839.98
Apr 1, 1999	-	-	12,505.02	12,505.02	-
Oct 1, 1999	2,830.00	6.750%	12,505.02	15,335.02	27,840.04
Apr 1, 2000	-	-	12,409.60	12,409.60	-
Oct 1, 2000	3,021.00	6.750%	12,409.60	15,430.60	27,840.00
Apr 1, 2001	-	-	12,307.55	12,307.55	-
Oct 1, 2001	3,225.00	6.750%	12,307.55	15,632.65	27,840.10
Apr 1, 2002	-	-	12,198.70	12,198.70	-
Oct 1, 2002	3,443.00	6.750%	12,198.70	15,641.70	27,840.40
Apr 1, 2003	-	-	12,082.50	12,082.50	-
Oct 1, 2003	3,675.00	6.750%	12,082.50	15,757.50	27,840.00
Apr 1, 2004	-	-	11,958.47	11,958.47	-
Oct 1, 2004	3,923.00	6.750%	11,958.47	15,881.47	27,839.94
Apr 1, 2005	-	-	11,826.07	11,826.07	-
Oct 1, 2005	4,188.00	6.750%	11,826.07	16,014.07	27,840.14
Apr 1, 2006	-	-	11,684.72	11,684.72	-
Oct 1, 2006	4,471.00	6.750%	11,684.72	16,155.72	27,840.44
Apr 1, 2007	-	-	11,533.83	11,533.83	-
Oct 1, 2007	4,772.00	6.750%	11,533.83	16,305.83	27,839.66
Apr 1, 2008	-	-	11,372.77	11,372.77	-
Oct 1, 2008	5,095.00	6.750%	11,372.77	16,467.77	27,840.64
Apr 1, 2009	-	-	11,200.82	11,200.82	-
Oct 1, 2009	5,439.00	6.750%	11,200.82	16,639.82	27,840.84
Apr 1, 2010	-	-	11,017.25	11,017.25	-
Oct 1, 2010	5,806.00	6.750%	11,017.25	16,823.25	27,840.60
Apr 1, 2011	-	-	10,821.30	10,821.30	-
Oct 1, 2011	6,197.00	6.750%	10,821.30	17,018.30	27,839.60
Apr 1, 2012	-	-	10,612.15	10,612.15	-
Oct 1, 2012	6,618.00	6.750%	10,612.15	17,228.15	27,840.30
Apr 1, 2013	-	-	10,388.88	10,388.88	-
Oct 1, 2013	7,062.00	6.750%	10,388.88	17,450.88	27,838.72
Apr 1, 2014	-	-	10,150.52	10,150.52	-
Oct 1, 2014	7,539.00	6.750%	10,150.52	17,689.52	27,840.04
Apr 1, 2015	-	-	9,898.07	9,898.07	-
Oct 1, 2015	8,048.00	6.750%	9,898.07	17,944.07	27,840.14
Apr 1, 2016	-	-	9,624.45	9,624.45	-
Oct 1, 2016	8,591.00	6.750%	9,624.45	18,215.45	27,839.90
Apr 1, 2017	-	-	9,334.51	9,334.51	-
Oct 1, 2017	9,171.00	6.750%	9,334.51	18,505.51	27,840.02
Apr 1, 2018	-	-	9,024.99	9,024.99	-
Oct 1, 2018	9,790.00	6.750%	9,024.99	18,814.99	27,839.98
Apr 1, 2019	-	-	8,694.57	8,694.57	-
Oct 1, 2019	10,451.00	6.750%	8,694.57	19,146.57	27,840.14
Apr 1, 2020	-	-	8,341.85	8,341.85	-
Oct 1, 2020	11,156.00	6.750%	8,341.85	19,487.85	27,839.70

BOND DEBT SERVICE

West Virginia Water Development Authority
City of Logan

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Apr 1, 2021	-	-	7,985.34	7,985.34	-
Oct 1, 2021	11,909.00	6.750%	7,985.34	19,874.34	27,839.68
Apr 1, 2022	-	-	7,563.41	7,563.41	-
Oct 1, 2022	12,713.00	6.760%	7,563.41	20,276.41	27,839.82
Apr 1, 2023	-	-	7,134.35	7,134.35	-
Oct 1, 2023	13,571.00	6.750%	7,134.35	20,705.35	27,839.70
Apr 1, 2024	-	-	6,878.32	6,878.32	-
Oct 1, 2024	14,487.00	6.750%	6,878.32	21,163.32	27,839.64
Apr 1, 2025	-	-	6,187.39	6,187.39	-
Oct 1, 2025	15,465.00	6.750%	6,187.39	21,652.39	27,839.78
Apr 1, 2026	-	-	5,885.44	5,885.44	-
Oct 1, 2026	16,509.00	6.750%	5,885.44	22,174.44	27,839.88
Apr 1, 2027	-	-	5,108.27	5,108.27	-
Oct 1, 2027	17,624.00	6.750%	5,108.27	22,732.27	27,840.54
Apr 1, 2028	-	-	4,513.46	4,513.46	-
Oct 1, 2028	18,813.00	6.750%	4,513.46	23,326.46	27,839.92
Apr 1, 2029	-	-	3,878.52	3,878.52	-
Oct 1, 2029	20,083.00	6.750%	3,878.52	23,981.52	27,840.04
Apr 1, 2030	-	-	3,200.72	3,200.72	-
Oct 1, 2030	21,438.00	6.750%	3,200.72	24,638.72	27,840.44
Apr 1, 2031	-	-	2,477.15	2,477.15	-
Oct 1, 2031	22,888.00	6.750%	2,477.15	25,383.15	27,840.30
Apr 1, 2032	-	-	1,704.75	1,704.75	-
Oct 1, 2032	24,431.00	6.750%	1,704.75	26,136.75	27,840.50
Apr 1, 2033	-	-	880.20	880.20	-
Oct 1, 2033	26,080.00	6.750%	880.20	26,960.20	27,840.40
	377,980.00		662,139.87	1,060,118.87	1,060,119.87

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and the governmental agency designated below (the "Governmental Agency").

CITY OF LOGAN
(Governmental Agency)

W I T N E S S E T H:

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

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

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to construct, operate and improve a water development project, as defined by the Act, and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

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

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a certain general revenue bond resolution adopted by the Board of the Authority (the "General Resolution"), as supplemented, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's water development loan program (the "Program") as hereinafter set forth.

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

ARTICLE I

Definitions

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

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political sub-divisions, and designated in the Application and any qualified successor thereto.

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

Now administered by the West Virginia Division of Environmental Protection.

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

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

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

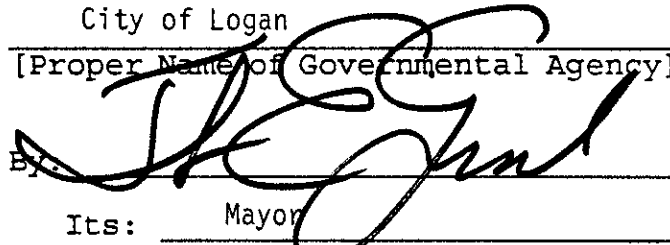
(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority.

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

City of Logan

[Proper Name of Governmental Agency]

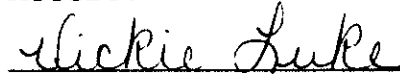
(SEAL)

By: 

Its: Mayor

Date: August 31, 1995

Attest:



Its: Recorder

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: 

Director

Attest:


Secretary-Treasurer

Date: August 31, 1995

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____, Consulting Engineers, _____, hereby certify that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____ County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19____, effective _____, 19____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority") dated _____, 19____.

1. The Bonds are being issued for the purpose of _____

(the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least forty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the _____ of the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) (ii) of the Loan Agreement, (vi) that the net proceeds of the Bonds, together with all other moneys on deposit or to be

simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this ____ day of _____, 19__.

By: _____

West Virginia License No. _____

[SEAL]

EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

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

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

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

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

We have also examined the applicable provisions of _____
_____ of the Code of West Virginia, 1931, as

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

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

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

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

3. The Governmental Agency is a duly organized and presently existing _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the [net] revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the [net] revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

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

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

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

Very truly yours,

EXHIBIT C

Monthly Financial Report

[Name of Governmental Agency]

[Name of Bond Issue]

Fiscal Year - ____

Report Month: _____

	<u>ITEM</u>	<u>CURRENT MONTH</u>	<u>YEAR TO DATE</u>	<u>BUDGET YEAR TO DATE</u>	<u>DIFFERENCE</u>
1.	Gross Revenues Collected				
2.	Operation and Maintenance Expense				
3.	Other Bond Debt Payments (including Reserve Fund deposits)				
4.	Bond Payments (include Reserve Fund deposits)				
5.	Renewal and Replacement Fund Deposit				
6.	Funds available for capital construction				

Witnesseth my signature this ____ day of _____, 19__.

[Name of Governmental Agency]

By: _____
Authorized Officer

ABB0017F

WDA-5X
(May 1993)

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$ 377,980

Purchase Price of Local Bonds \$ 377,980

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

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

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

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

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY 1994 SERIES A LOCAL LOAN PROGRAM

BOND DEBT SERVICE

West Virginia Water Development Authority
City of Logan

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

\$377,980

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

BOND DEBT SERVICE

West Virginia Water Development Authority
City of Logan

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

SCHEDULE Y
REVENUES

In accordance with Subsection 4.1(a) of the Loan Agreement, the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as follows:

- (i) to pay Operating Expenses of the System;
- (ii) to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, beginning thirteen (13) months prior to the first date of payment of principal of the Local Bonds, if the Reserve Account was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit) in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than ten (10) years) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;
- (iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account;
- (iv) to provide debt service on and requisite reserves for any subordinate indebtedness of the Governmental Agency held or owned by the Authority; and

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

SCHEDULE Z

Additional and Supplemental Definitions

1. "EPA" means the United States Environmental Protection Agency and any successors to the functions thereof.

2. "Local Statute" means Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended.

3. "System" means a sewage collection system and/or treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations and all appurtenances necessary or useful and convenient for the collection and/or a treatment, purification and disposal, in a sanitary manner, of liquid and solid waste, sewage, night soil and industrial wastes, in its entirety or any integral part thereof, owned by the Governmental Agency and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Division of Environmental Protection and EPA.

2. The Governmental Agency agrees that it will permit the EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

3. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall have obtained, among other permits required, permits from the EPA and the West Virginia Division of Environmental Protection and approval of the "Part B" supplement to its EPA grant agreement.

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

That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental Agency owns a water facility (the "Water System"), the Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

5. To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for federal financial assistance for pollution abatement in order to maximize the amounts of such federal financial assistance received or to be received for all water development projects in the State.

6. Subject to any prior or parity obligations described in Schedules X and Y attached to the Loan Agreement, the net revenues derived from the operation of the System are pledged to the payment of the principal of and interest on the Local Bonds.

7. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall deliver to the Authority a certificate representing the following:

- (a) The Governmental Agency expects to enter into a contract within six months of the date thereof for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2-1/2 percent of the estimated total Project cost financed with proceeds from the sale of the Local Bonds or \$100,000;
- (b) Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within three years from the date of issuance of the Authority's water development revenue bonds;
- (c) All of the proceeds from the sale of the Local Bonds which will be used for payment of costs of the Project will be expended for such purpose within three years from the date of issuance of the Authority's water development revenue bonds; and

- (d) The Governmental Agency does not expect to sell or otherwise dispose of the Project, in whole or in part, prior to the last maturity date of the Local Bonds.

THE CITY OF LOGAN, WEST VIRGINIA

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

CERTIFICATE OF:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES
6. PUBLIC SERVICE COMMISSION ORDER; RATES
7. INCUMBENCY AND OFFICIAL NAME
8. LAND AND RIGHTS-OF-WAY
9. MEETINGS
10. INSURANCE
11. LOAN AGREEMENT
12. TRUTH AND ACCURACY
13. SPECIMEN BONDS
14. GRANT
15. NO CONFLICT OF INTEREST

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

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

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the

issuance and delivery of the Subordinate Bonds or the use of the proceeds thereof; nor questioning the proceedings and authority by which the Council of the City authorized the issuance and sale of the Subordinate Bonds; nor affecting the validity of the Subordinate Bonds or any provisions made or authorized for the payment thereof; nor questioning the existence of the City or the title of the members or officers of the City or of the Council thereof to their respective offices; nor questioning the design and the subsequent construction and acquisition of certain extensions, improvements or betterments to the existing sewer system of the City financed in part by the proceeds of sale of the Subordinate Bonds (herein called the "Project"), nor operation by the City of the Project (the Project and any further extensions, additions, improvements or betterments thereto, herein collectively called the "System") or the System, nor challenging the collection or use of the revenues of the System or the pledge of the net revenues to the Subordinate Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals and certificates required by law for the design and construction of the Project, operation of the System, and issuance of the Subordinate Bonds have been duly and timely obtained and remain in full force and effect, and competitive bids for construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1, of the Code of West Virginia, 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: The undersigned Mayor hereby certifies that there has been no adverse change in the financial condition of the City since June 26, 1995. There are no outstanding obligations of the City which will rank prior to or on a parity with the Subordinate Bonds as to source of and security for payment except the City's Sewer Revenue Bonds dated as of March 1, 1964, outstanding as of June 30, 1995, in the aggregate principal amount of \$48,000, which are prior to the Subordinate Bonds; the City's Subordinate Sewerage System Revenue Bonds, Series 1987, outstanding as of June 30, 1995, in the aggregate principal amount of \$604,021, which are on a parity with the Subordinate Bonds; and the City's Subordinate Sewerage System Revenue Bonds, Series 1993, outstanding as of June 30, 1995, in the aggregate principal amount of \$2,263,669, which are on a parity with the Subordinate Bonds. The Mayor hereby further certifies that the City is not in default under the ordinances, resolutions and other documents authorizing said outstanding bonds or under said outstanding bonds.

5. SIGNATURES: The undersigned Mayor and Clerk are the duly elected or appointed, qualified and serving officers of the City as indicated by the official titles opposite their signatures below, and were duly authorized to execute and seal the Subordinate Bonds for the City. The seal impressed upon the Subordinate Bonds

and this Certificate is the duly authorized, proper and only seal of the City.

6. PUBLIC SERVICE COMMISSION ORDER; RATES: The City has filed or caused to be filed any information with the Public Service Commission of West Virginia (the "Commission") and taken any other actions required to maintain the Public Service Commission order dated August 11, 1995, in full force and effect. The rates were enacted by ordinance adopted May 9, 1995, and the City has complied with all requirements of the Public Service Commission to make the rates valid and effective, and such rates are in full force and effect.

7. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the City is "The City of Logan"; and it is a municipal corporation of the State of West Virginia in Logan County of said State. The governing body of the City is its Council, consisting of five members, a Mayor and a Clerk, whose names and dates of commencement and termination of terms of office for all members during these Bond proceedings, including current terms, are listed below:

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

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

8. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase or, in the opinion of all the undersigned, if necessary, by condemnation by the City or the Sanitary Board of the City and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions that would adversely

affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties that may have to be acquired by condemnation are, in the opinion of all the undersigned, within the ability of the City to pay for the same without jeopardizing the security of or payments on the Subordinate Bonds.

9. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken, adopted and entered into by or on behalf of the City in any way connected with the construction, acquisition, operation and financing of the Project were authorized or adopted at meetings of the Council duly and regularly or specially called and held pursuant to all applicable statutes and the rules of procedure of Council, and a quorum of duly appointed, qualified and acting members of the Council was present and acting at all times during all such meetings.

10. INSURANCE: The City will maintain or, as appropriate, will require all contractors to maintain Worker's Compensation, public liability and property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance.

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

12. TRUTH AND ACCURACY: As of the date hereof, Thomas E. Esposito, Mayor of the City, and Vickie Luke, Clerk of the City, hereby certify that the copies of documents previously or on the date hereof certified by them as being true and accurate are true and accurate as of the date hereof and that none of such documents has been repealed, rescinded, amended or otherwise modified except by documents also delivered.

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

14. GRANT: The City has received a grant from the Environmental Protection Agency in the amount of \$3,020,380, which grant is in full force and effect, and of which \$144,390 is allocable to the Project.

15. NO CONFLICT OF INTEREST: No officer or employee of the City has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the City and the sale of any land, materials, supplies or services to the City, or to any contractor supplying the City, relating to the Subordinate Bonds, the authorizing document and/or the Project, including without limitation, with respect to the depository bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

WITNESS our signatures and the official corporate seal of The City of Logan, West Virginia, on this 31st day of August, 1995.

[SEAL]

Signature


Official Title

Mayor and Chairman of the
Sanitary Board

Lickie Luke

Clerk

Edward J. Eiland

City Attorney

ABB09C14

EXHIBIT A

SPECIMEN BOND

NUMBER
R-1

EXHIBIT A

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

"SPECIMEN"

No. R-1

\$377,980

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF LOGAN, a municipal corporation of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of THREE HUNDRED SEVENTY-SEVEN THOUSAND NINE HUNDRED EIGHTY DOLLARS (\$377,980), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

Interest on each installment shall run from the date of this Bond and until payment of such installment, and such interest shall be payable on the 1st day of April and the 1st day of October in each year beginning October 1, 1995. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written

consent of the Authority and as otherwise provided by the Loan Agreement, dated as of August 31, 1995, between the City and the Authority.

The series of bonds of which this Bond is one (the "Bonds") are issued (i) to pay costs of acquisition and construction of certain extensions, improvements and betterments to the existing public sewerage system of the City (the "Project") (said existing system, together with the Project and any further extensions, improvements or betterments thereto, is hereinafter referred to as the "System"); (ii) to pay interest on the Bonds during and for up to six months after completion of construction of the Project; and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and the Ordinance duly passed by the Council of the City on August 11, 1987, as amended by the Amendatory and Supplemental Bond and Note Ordinance passed by said Council on July 21, 1992, all as supplemented, and as amended and supplemented by the Amendatory and Supplemental Bond Ordinance duly passed by the Council of the City on the 9th day of May, 1995, and supplemented by a resolution duly adopted by the Council of the City on August 18, 1995 (collectively, the "Ordinance"), as amended by a resolution adopted by the Council of the City on August 30, 1995, and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues and unexpended Bond proceeds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the proper and reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, as hereinafter defined, and on all obligations secured by or payable from such revenues prior to or on a parity with the Bonds, including the 1964 Bonds and the Prior Subordinate

Bonds, both as hereinafter defined; provided, however, that so long as there exists in the Reserve Account sufficient moneys to pay the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year and on the Prior Subordinate Bonds in any year, and the reserve accounts for any such obligations prior to or on a parity with the Bonds, including said 1964 Bonds, are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Registrar kept for that purpose at the office of the Registrar by the registered owner or by its attorney or legal representative duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney or legal representative duly authorized in writing.

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

THIS BOND IS JUNIOR, SUBORDINATE AND INFERIOR AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS TO THE CITY'S SEWER REVENUE BONDS DATED AS OF MARCH 1, 1964, OUTSTANDING AS OF JUNE 30, 1995, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$48,000 (THE "1964 BONDS").

THIS BOND IS ON A PARITY AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT FROM THE NET REVENUES AND IN ALL OTHER RESPECTS (EXCEPT FOR ITS LIEN ON THE PROCEEDS HEREOF) TO THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1987, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF \$604,021 (THE "1987 SUBORDINATE BONDS"), AND THE CITY'S SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1993, OUTSTANDING AS OF THE DATE HEREOF IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,263,669 (THE "1993 SUBORDINATE BONDS"; TOGETHER WITH THE 1987 SUBORDINATE BONDS, THE "PRIOR SUBORDINATE BONDS").

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

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

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

IN WITNESS WHEREOF, THE CITY OF LOGAN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, and has caused this Bond to be dated August 31, 1955.

[SEAL]

Mayor

ATTEST:

Rickie Luke
City Clerk

R-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Subordinate Sewerage System Revenue Bonds, Series 1995, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above on the date set forth below.

Date: August 31, 1995

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

By

Charles Morgan
Its Authorized Officer

R-1

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

BOND DEBT SERVICE

West Virginia Water Development Authority
City of Logan

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

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Aug 31, 1993	-	-	-	-	-
Oct 1, 1995	-	-	2,197.01	2,197.01	2,197.01
Apr 1, 1998	-	-	12,758.83	12,758.83	-
Oct 1, 1998	2,328.00	6.750%	12,758.83	15,086.83	27,839.66
Apr 1, 1997	-	-	12,678.32	12,678.32	-
Oct 1, 1997	2,484.00	6.750%	12,678.32	15,162.32	27,840.64
Apr 1, 1998	-	-	12,584.48	12,584.48	-
Oct 1, 1998	2,851.00	6.750%	12,584.48	15,245.48	27,839.98
Apr 1, 1999	-	-	12,505.02	12,505.02	-
Oct 1, 1999	2,830.00	6.750%	12,505.02	15,335.02	27,840.04
Apr 1, 2000	-	-	12,409.60	12,409.60	-
Oct 1, 2000	3,021.00	6.750%	12,409.60	15,430.60	27,840.00
Apr 1, 2001	-	-	12,307.55	12,307.55	-
Oct 1, 2001	3,225.00	6.750%	12,307.55	15,532.55	27,840.10
Apr 1, 2002	-	-	12,198.70	12,198.70	-
Oct 1, 2002	3,443.00	6.750%	12,198.70	15,641.70	27,840.40
Apr 1, 2003	-	-	12,082.50	12,082.50	-
Oct 1, 2003	3,675.00	6.750%	12,082.50	15,757.50	27,840.00
Apr 1, 2004	-	-	11,958.47	11,958.47	-
Oct 1, 2004	3,023.00	6.750%	11,958.47	15,881.47	27,839.94
Apr 1, 2005	-	-	11,826.07	11,826.07	-
Oct 1, 2005	4,168.00	6.750%	11,826.07	16,014.07	27,840.14
Apr 1, 2006	-	-	11,684.72	11,684.72	-
Oct 1, 2006	4,471.00	6.750%	11,684.72	16,155.72	27,840.44
Apr 1, 2007	-	-	11,533.83	11,533.83	-
Oct 1, 2007	4,772.00	6.750%	11,533.83	16,305.83	27,839.66
Apr 1, 2008	-	-	11,372.77	11,372.77	-
Oct 1, 2008	5,085.00	6.750%	11,372.77	16,487.77	27,840.54
Apr 1, 2009	-	-	11,200.82	11,200.82	-
Oct 1, 2009	5,439.00	6.750%	11,200.82	16,638.82	27,840.84
Apr 1, 2010	-	-	11,017.25	11,017.25	-
Oct 1, 2010	5,806.00	6.750%	11,017.25	16,823.25	27,840.50
Apr 1, 2011	-	-	10,821.30	10,821.30	-
Oct 1, 2011	6,197.00	6.750%	10,821.30	17,018.30	27,839.60
Apr 1, 2012	-	-	10,612.15	10,612.15	-
Oct 1, 2012	6,618.00	6.750%	10,612.15	17,228.15	27,840.30
Apr 1, 2013	-	-	10,388.88	10,388.88	-
Oct 1, 2013	7,062.00	6.750%	10,388.88	17,450.88	27,838.72
Apr 1, 2014	-	-	10,150.52	10,150.52	-
Oct 1, 2014	7,539.00	6.750%	10,150.52	17,689.52	27,840.04
Apr 1, 2015	-	-	9,898.07	9,898.07	-
Oct 1, 2015	8,048.00	6.750%	9,898.07	17,844.07	27,840.14
Apr 1, 2016	-	-	9,624.45	9,624.45	-
Oct 1, 2016	8,591.00	6.750%	9,624.45	18,215.45	27,839.50
Apr 1, 2017	-	-	9,334.51	9,334.51	-
Oct 1, 2017	9,171.00	6.750%	9,334.51	18,505.51	27,840.02

BOND DEBT SERVICE

West Virginia Water Development Authority
City of Logan

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
Apr 1, 2018	-	-	8,024.99	8,024.99	-
Oct 1, 2018	8,790.00	8.750%	8,024.99	18,814.99	27,839.98
Apr 1, 2019	-	-	8,894.57	8,894.57	-
Oct 1, 2019	10,451.00	8.750%	8,894.57	19,145.57	27,840.14
Apr 1, 2020	-	-	8,341.85	8,341.85	-
Oct 1, 2020	11,156.00	8.750%	8,341.85	19,487.85	27,839.70
Apr 1, 2021	-	-	7,983.34	7,983.34	-
Oct 1, 2021	11,809.00	8.750%	7,983.34	19,874.34	27,839.68
Apr 1, 2022	-	-	7,653.41	7,653.41	-
Oct 1, 2022	12,713.00	6.760%	7,653.41	20,276.41	27,839.82
Apr 1, 2023	-	-	7,134.35	7,134.35	-
Oct 1, 2023	13,571.00	6.750%	7,134.35	20,708.35	27,839.70
Apr 1, 2024	-	-	6,878.32	6,878.32	-
Oct 1, 2024	14,487.00	8.750%	6,878.32	21,162.32	27,839.64
Apr 1, 2025	-	-	6,187.39	6,187.39	-
Oct 1, 2025	15,485.00	8.750%	6,187.39	21,652.39	27,839.78
Apr 1, 2026	-	-	5,885.44	5,885.44	-
Oct 1, 2026	16,509.00	6.750%	5,885.44	22,174.44	27,839.88
Apr 1, 2027	-	-	5,108.27	5,108.27	-
Oct 1, 2027	17,624.00	6.750%	5,108.27	22,732.27	27,840.54
Apr 1, 2028	-	-	4,513.46	4,513.46	-
Oct 1, 2028	18,813.00	6.750%	4,513.46	23,326.46	27,839.92
Apr 1, 2029	-	-	3,878.52	3,878.52	-
Oct 1, 2029	20,083.00	6.750%	3,878.52	23,961.52	27,840.04
Apr 1, 2030	-	-	3,200.72	3,200.72	-
Oct 1, 2030	21,439.00	6.750%	3,200.72	24,639.72	27,840.44
Apr 1, 2031	-	-	2,477.15	2,477.15	-
Oct 1, 2031	22,888.00	6.750%	2,477.15	25,363.15	27,840.30
Apr 1, 2032	-	-	1,704.75	1,704.75	-
Oct 1, 2032	24,431.00	6.750%	1,704.75	26,136.75	27,840.50
Apr 1, 2033	-	-	880.20	880.20	-
Oct 1, 2033	26,080.00	6.750%	880.20	26,960.20	27,840.40
	377,980.00		662,139.87	1,060,118.87	1,060,119.87

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[Form of Assignment]

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

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

Dated: _____, ____.

In the presence of:

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

CERTIFICATE OF CITY CLERK AS TO TRUTH
AND ACCURACY OF DOCUMENTS DELIVERED

I, the undersigned Vickie Luke, the duly appointed Clerk of The City of Logan, West Virginia (the "City"), hereby certify that the copies of the following documents being delivered in connection with the closing of the sale of the above-referenced Bonds (the "Bonds"), are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the City and delivered in the transcript of proceedings, and that said documents are in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Oaths of office of Mayor, City Clerk and Council Members.
2. Sanitary Board Resolution authorizing petition, adopted March 27, 1995.
3. Sanitary Board Petition dated March 7, 1995.
4. Minutes of Council meeting held April 11, 1995, regarding first reading of Ordinance.
5. Minutes of Council meeting held May 9, 1995, regarding second reading and passage of Ordinance, adoption of Resolution with respect to abstract and public hearing and passage of Rate Ordinance.
6. Amendatory and Supplemental Bond and Note Ordinance (the "Ordinance") adopted by the Council on May 9, 1995.
7. Resolution adopted by Council on May 9, 1995, authorizing publication of an abstract and notice of the Ordinance.
8. Rate Ordinance passed by the Council on May 9, 1995.
9. Minutes of the June 13, 1995, meeting of Council wherein the Resolution putting the Ordinance into effect was adopted.

10. Resolution adopted by Council on June 13, 1995, putting Ordinance into effect.

11. Supplemental Resolution adopted by Council on August 18, 1995, authorizing sale of the above-referenced Bonds.

12. Amendatory Resolution adopted by Council on August 30, 1995, authorizing the increase of the aggregate principal amount of the Bonds.

13. EPA letter dated August 1, 1995.

14. NPDES Permit (Modification No. 4).

I further hereby certify that the copies of the following documents delivered to the West Virginia Water Development Authority on March 29, 1993, are, as of the date hereof, in full force and effect and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below or is listed above:

1. Copy of the Charter of the City.

2. Copy of Rules and Order of Business of the Council of the City.

3. Ordinance creating the Sanitary Board of the City, enacted by the Council on April 12, 1948.

4. Ordinance passed by the Council on February 11, 1964, authorizing \$308,000 in aggregate principal amount of Sewer Revenue Bonds, dated March 1, 1964, of the City.

5. Ordinance passed by the Council on August 11, 1987, as supplemented on September 8, 1987, authorizing \$623,087 in aggregate principal amount of Subordinate Sewerage System Revenue Bonds, Series 1987, and \$152,833 in aggregate principal amount of Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987.

6. Amendatory and Supplemental Bond and Note Ordinance adopted by the Council on July 21, 1992.

7. Minutes of March 23, 1993, special meeting of Council, including the Supplemental Resolution authorizing sale of the City's 1993 bonds to the West Virginia Water Development Authority.

8. EPA Grant Agreement with Part B Approval.

WITNESS my signature and the official seal of The City of Logan, West Virginia, as of the 31st day of August, 1995.

Lickie Luke
City Clerk
The City of Logan

(SEAL)

ABB09A85



(304) 345-0470
1325 VIRGINIA STREET, E.
P. O. BOX 2986
CHARLESTON, WEST VIRGINIA 25330

CONSULTING ENGINEERS

THE CITY OF LOGAN, WEST VIRGINIA

~~\$377,980~~ *[Signature]*
~~\$273,980~~ Subordinate Sewerage System
Revenue Bonds, Series 1995

CERTIFICATE OF CONSULTING ENGINEER

I, Gene R. Weekley, Jr., Registered Professional Engineer, West Virginia License No. 5021, of Kelley, Gidley, Blair & Wolfe, Inc., Consulting Engineers, Charleston, West Virginia, hereby certify that my firm is engineer for the construction management of certain extensions, improvements and betterments to the existing sewerage system (herein called the "Project") of The City of Logan, West Virginia (the "City"), to be constructed in Logan County, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the City. Capitalized words not defined herein shall have the meanings set forth in the Amendatory and Supplemental Bond Ordinance passed by the Council of the City on May 9, 1995, and the Loan Agreement by and between the City and the West Virginia Water Development Authority (the "Authority") dated August 31, 1995.

1. The Bonds are being issued for the purpose of permanently financing the costs of acquisition and construction of certain extensions, improvements and betterments to the system, and paying the costs not otherwise provided of acquisition and construction of the Project. The City has received a grant from the Environmental Protection Agency grant in the amount of \$3,020,380, of which \$144,390 is allocable to the Project.

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans and specifications prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least forty years, (iii) the City has received bids for the construction of the Project which are in an amount and otherwise compatible with the

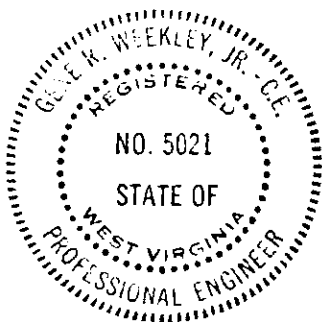
plan of financing described in the Application, and my firm has ascertained or will ascertain prior to start of construction that all contractors have made required provisions for all insurance and payment and performance bonds, and such bonds have been or will be prior to the start of construction verified by my firm for accuracy, (iv) the City has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, (vi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project, and (vii) the rates and charges for the system as adopted by the City are sufficient to comply with the provisions of Section 4.1(b) (ii) of the Loan Agreement.

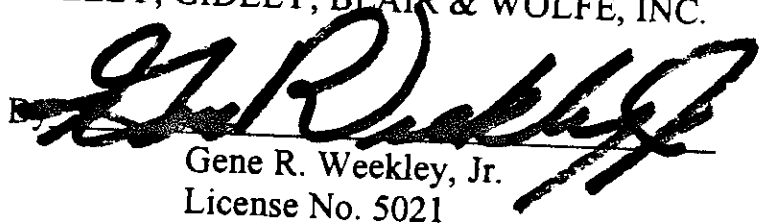
3. No new customers or increased use of the System are anticipated on account of the Project.

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

KELLEY, GIDLEY, BLAIR & WOLFE, INC.

[Seal]




Gene R. Weekley, Jr.
License No. 5021

DATE. August 28, 1995

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: CITY OF LOGAN, LOGAN CO., WV
ESTIMATED TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF
FINANCING

A. Cost of Project

1.	Construction	\$ 228,271.
2.	Technical Services	\$ 112,000.
3.	Legal and Fiscal	\$ 13,300.
4.	Administrative	\$ 60,000.
5.	Site and Other Lands	\$
6.	Step I and/or Step II (Design)	\$
	~~or Other Loan Repayment~~	
	~~(Specify Type)~~	
6a.	WWTP STARTUP, TOOLS, ETC.	\$ 104,000
7.	Interim Financing Costs	\$ 47,000.
8.	Contingency	\$ 19,529
9.	Total of Lines 1 through 8	

\$ 584,100.

B. Sources of Funds

10.	Federal Grants:	EPA	\$ 144,390.
	(Specify Source)		\$
11.	State Grants:		\$
	(Specify Source)		\$
			\$
			\$
			\$
12.	Other Grants:	LOCAL	\$ 84,930.
	(Specify Source)	(EARNED INTEREST)	\$
13.	Any Other Source?		\$
	(Specify)		\$
14.	Total of Lines 10 through 13		\$
15.	Net Proceeds Required from Bond Issue		
	(Line 9 less Line 14)		

\$ 229,320.

\$ 354,780.

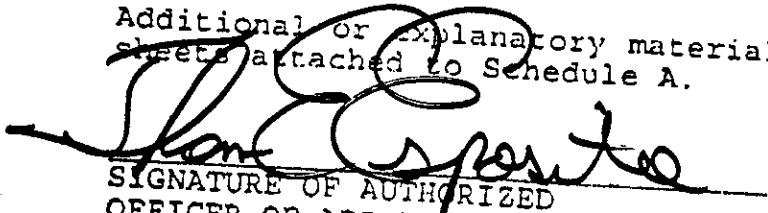
1. Attach supporting documentation not previously submitted.
If not yet available, state such and expectations as to
availability.

2. For example, interest earnings during construction, if
applicable. Include the proceeds of any parity or
subordinate bond issue to be used for such purpose and
attach supporting documentation if available (if not yet
available, state such and expectations as to
availability).

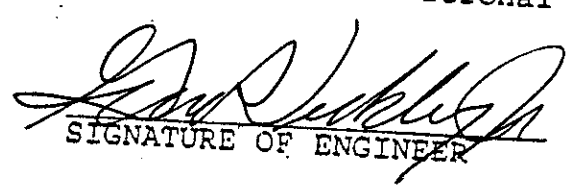
C. Cost of Financing

16.	Capitalized Interest (Construction period plus six months)	\$ <u>11,200.</u>	
17.	Funded Reserve Account ¹	\$ <u> </u>	
18.	Other Costs ¹	\$ <u>12,000.</u>	
19.	Total Cost of Financing (Lines 16 through 18)		\$ <u>23,200.</u>
20.	Size of Bond Issue (Line 15 plus Line 19)		\$ <u>377,980.</u>

Additional or explanatory material may be provided on additional sheets attached to Schedule A.


SIGNATURE OF AUTHORIZED
OFFICER OF APPLICANT

THOMAS E. ESPOSITO, MAYOR


SIGNATURE OF ENGINEER

GENE R. WEEKLEY, JR., P.E.

³ Consult with bond counsel and the Authority before assuming a funded reserve.

⁴ For example, fees of bond counsel for the Governmental Agency.

ATTACHMENT WDA SCHEDULE A ... AUG 28, 1995

Item 6a. WWTP startup, tools, etc.

Special services by plumbing contractor to refit
certain connections. Work not included in
Phase 2 contract.

\$ 2,700.

Equipment, vehicles. One heavy duty truck for hauling,
blading, and line work. Three utility pickup trucks
suitable for maintenance tools and equipment for use
by each of three on-call operators.

78,400.

Tools: Hand tools for field and shop operation
and maintenance ...

5,600.

Shop and bench equipment ...

9,000.

Office operation equipment ...

3,000.

17,600.

Payments to Mr. Campbell

5,300

TOTAL PROJECTED COSTS

\$104,000

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

ISSUANCE OF PARITY DEBT

The undersigned, as Mayor of The City of Logan, West Virginia (the "City"), hereby certifies with respect to the issuance of the above-referenced bonds (the "Bonds") on a parity with the City's Subordinate Sewerage System Revenue Bonds, Series 1987, Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987, Subordinate Sewerage System Revenue Bonds, Series 1993 and Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993 (the "Outstanding Bonds"), respectively, as follows:

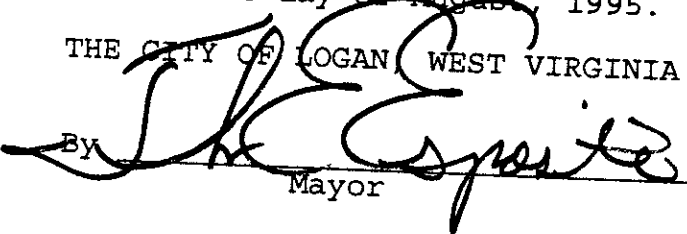
1. The City has received the written certificate from an Independent Accountant required by Section 7.08 of the Ordinance pursuant to which the Outstanding Bonds were issued (as said Ordinance has been supplemented and amended, the "Outstanding Ordinance").

2. The City has received certain consents and waivers from the West Virginia Water Development Authority, as the owner of the Outstanding Bonds.

3. The City is in compliance with all of the covenants, agreements, and terms of the Outstanding Ordinance and has made all the payments into the respective funds and accounts provided for in the Outstanding Ordinance on account of the Outstanding Bonds and any other payments provided for in the Outstanding Ordinance.

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

THE CITY OF LOGAN WEST VIRGINIA

By 

Mayor

THE CITY OF LOGAN, WEST VIRGINIA

2.6

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

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 31st day of August, 1995, by and between THE CITY OF LOGAN, WEST VIRGINIA, a municipal corporation (the "Governmental Agency"), and One Valley Bank, National Association (the "Registrar").

WHEREAS, the Governmental Agency has, contemporaneously with the execution hereof, issued and sold its \$377,980 Subordinate Sewerage System Revenue Bonds, Series 1995, in the form of one bond numbered R-1 in fully registered form (the "Bonds"), pursuant to an Amendatory and Supplemental Bond Ordinance duly passed May 9, 1995, and Supplemental Resolution adopted August 18, 1995, as amended by an Amendatory Resolution adopted August 30, 1995 (collectively, the "Ordinance");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Ordinance provides for an appointment by the Governmental Agency of a Registrar for the Bonds; and

WHEREAS, the Governmental Agency desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Ordinance and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Governmental Agency and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar, for the Bonds, all as set forth in the Ordinance, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the

Governmental Agency advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Governmental Agency with appropriate records of all transactions carried out by it as Registrar and to furnish the Governmental Agency with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Governmental Agency may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Governmental Agency.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Governmental Agency hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection with this Registrar's Agreement.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance shall govern.

6. The Governmental Agency and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Ordinance will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective address:

GOVERNMENTAL AGENCY:

The City of Logan
City Hall
Dingess Street
Logan, West Virginia 25601
Attention: Mayor

REGISTRAR:

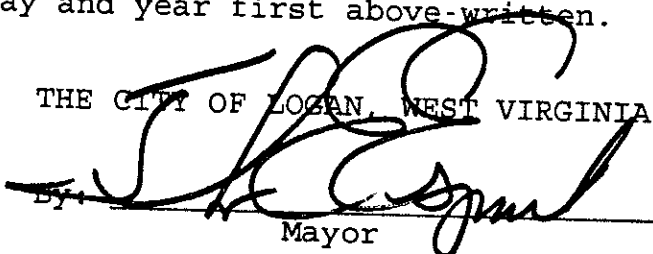
One Valley Bank, National Association
P.O. Box 1793
Charleston, West Virginia 25326
Attention: Corporate Trust Department

The Governmental Agency and the Registrar shall notify the other in writing of any change of address.

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Ordinance.

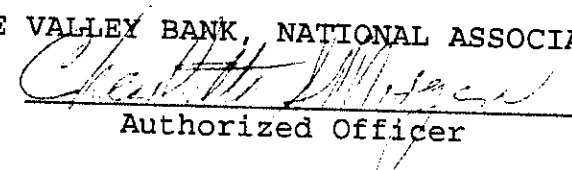
IN WITNESS WHEREOF, The City of Logan and One Valley Bank, National Association, have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF LOGAN, WEST VIRGINIA

By: 

Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

By: 

Authorized Officer

ABB09C17

EXHIBIT A

See Bond Ordinance (Document No. 1.7)

THE CITY OF LOGAN, WEST VIRGINIA

2.7

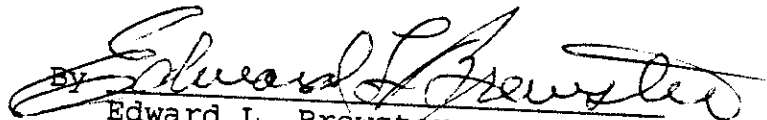
\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

Bank One West Virginia, Logan, N.A., with its principal office in Logan, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Logan, West Virginia, duly passed on May 9, 1995, the Supplemental Resolution adopted August 18, 1995, and the Amendatory Resolution adopted August 30, 1995 (collectively, the "Ordinance"), authorizing issuance of The City of Logan, West Virginia Subordinate Sewerage System Revenue Bonds, Series 1995, dated August 31, 1995, in the aggregate principal amount of \$377,980, and agrees to perform all duties of Depository Bank, all as set forth in said Ordinance.

Witness my signature as of the 31st day of August, 1995.

BANK ONE WEST VIRGINIA, LOGAN, N.A.

By 
Edward L. Brewster
Senior Vice President

THE CITY OF LOGAN, WEST VIRGINIA

2.8

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

REQUEST AND AUTHORIZATION AS TO AUTHENTICATION
AND DELIVERY OF THE BONDS

August 31, 1995

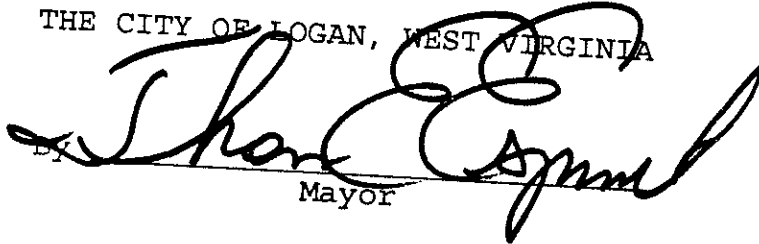
One Valley Bank, National Association
P.O. Box 1793
Charleston, West Virginia 25326
Attention: Corporate Trust Department

Ladies and Gentlemen:

We herewith hand to you, duly executed, \$377,980 Subordinate Sewerage System Revenue Bonds, Series 1995, in the form of one bond numbered R-1 (the "Bonds") of The City of Logan, West Virginia (the "City"), authorized to be issued under and pursuant to the Amendatory and Supplemental Bond Ordinance, duly passed by the Council of the City on May 9, 1995, Supplemental Resolution adopted by the Council on August 18, 1995, and an Amendatory Resolution adopted by the Council on August 30, 1995 (collectively, the "Ordinance").

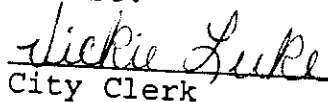
You are hereby requested and authorized to register, authenticate and deliver the Bonds on behalf of the City to the West Virginia Water Development Authority.

THE CITY OF LOGAN, WEST VIRGINIA


Mayor

(SEAL)

Attest:


City Clerk

THE CITY OF LOGAN, WEST VIRGINIA

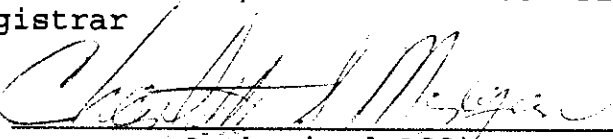
\$377,980 Subordinate Sewerage System
Revenue Bonds, Series 1995

CERTIFICATE OF REGISTRATION OF BONDS

I, Charlotte S. Morgan, Assistant Vice President of One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "Registrar"), hereby certify that on the 31st day of August, 1995, the bonds of The City of Logan, West Virginia in the principal amount of \$377,980 designated "The City of Logan, West Virginia Subordinate Sewerage System Revenue Bonds, Series 1995" (the "Sewer Revenue Bonds"), and numbered R-1, dated as of the date hereof, were registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the City kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

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

ONE VALLEY BANK, NATIONAL ASSOCIATION, as
Registrar

By 
Authorized Officer

THE CITY OF LOGAN, WEST VIRGINIA

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

RECEIPT FOR BONDS

The undersigned, Barbara B. Meadows, Secretary-Treasurer of the West Virginia Water Development Authority, for and on behalf of the West Virginia Water Development Authority (the "Authority"), hereby certifies as follows:

1. On the 31st day of August, 1995, in Dunbar, West Virginia, the Authority received the entire original issue of \$377,980 in aggregate principal amount of The City of Logan, West Virginia Subordinate Sewerage System Revenue Bonds, Series 1995 (the "Bonds"), said Bonds being dated the 31st day of August, 1995; and issued in the form of one bond, fully registered to the Authority, and numbered R-1.

2. At the time of receipt of such Bonds, they had been executed by Thomas E. Esposito, as Mayor of The City of Logan, by manual signature, and attested by Vickie Luke as Clerk of The City of Logan, by manual signature, and the seal of said City had been impressed upon the Bonds.

IN WITNESS WHEREOF, Barbara B. Meadows duly signed and delivered this receipt on behalf of the West Virginia Water Development Authority on the 31st day of August, 1995.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By Barbara B Meadows
Secretary-Treasurer

THE CITY OF LOGAN, WEST VIRGINIA

2.11

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

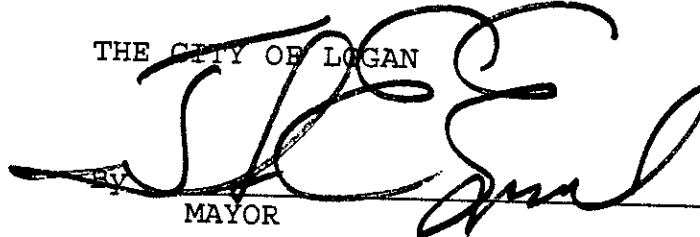
RECEIPT FOR BOND PROCEEDS

The undersigned Thomas E. Esposito, Mayor of The City of Logan (the "City"), hereby certifies as follows:

1. The City has received and hereby acknowledges receipt from the West Virginia Water Development Authority (the "Authority"), as original purchaser of the City's \$377,980 Subordinate Sewerage System Revenue Bond, Series 1995, of the proceeds of said bond in the amount of \$377,980.

IN WITNESS WHEREOF, The City of Logan has caused this receipt to be executed by the acting Mayor of The City of Logan on this 31st day of August, 1995.

THE CITY OF LOGAN


MAYOR

WV MUNICIPAL BOND COMMISSION
Suite 300 - L & S Building
812 Quarrier Street
Charleston, WV 25301
(304) 348-3971

NEW ISSUE REPORT FORM

Date of Report: August 31, 1995

(See Reverse for Instructions)

ISSUE: \$377,980 The City of Logan, West Virginia, Subordinate Sewerage System Revenue Bonds, Series 1995	
ADDRESS: City Building, Dingess St., Logan, WV 25601	
PURPOSE OF ISSUE: New Money ☒ Refunding ☐	COUNTY: Logan
Refunds issue(s) dated: _____	
ISSUE DATE: August 31, 1995	CLOSING DATE: August 31, 1995
ISSUE AMOUNT: \$ 377,980	RATE: 6.75%
1st DEBT SERVICE DUE: October 1, 1995	1st PRINCIPAL DUE: October 1, 1996
1st DEBT SERVICE AMOUNT: \$2,197.01	PAYING AGENT: Municipal Bond Commission
ISSUERS	
BOND COUNSEL: Jackson & Kelly	
Contact Person: Taunja Willis-Miller	
Phone: 304-340-1357	
CLOSING BANK: One Valley Bank, N.A.	
Contact Person: Charlotte Morgan	
Phone: 304-348-7239	
KNOWLEDGEABLE ISSUER CONTACT	
Contact Person: Vickie Luke	
Position: City Clerk	
Phone: 304-752-4044	
UNDERWRITERS	
BOND COUNSEL: N/A	
Contact Person: _____	
Phone: _____	
ESCROW TRUSTEE: _____	
Contact Person: _____	
Phone: _____	
OTHER: West Virginia Water Development Authority	
Contact Person: Doug Olds	
Function: Administrative Assistant	
Phone: 304-558-3612	
DEPOSITS TO MBC AT CLOSE:	
By ☒ Wire	Accrued Interest: \$ _____
☒ Check	Capitalized Interest: \$ 11,200
	Reserve Account: \$ _____
	Other: \$ _____
REFUNDS & TRANSFERS BY MBC AT CLOSE:	
By ☐ Wire	To Escrow Trustee: \$ _____
☐ Check	To Issuer: \$ _____
☐ IGT	To Cons. Invest. Fund: \$ _____
	To Other: \$ _____
NDTES: See attached.	
FOR MUNICIPAL BOND COMMISSION USE ONLY:	
DOCUMENTS REQUIRED: _____	
TRANSFERS REQUIRED: _____	

THE CITY OF LOGAN, WEST VIRGINIA
\$377,980 SUBORDINATE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1995

PROCEEDS AND OTHER DISBURSEMENT SCHEDULE

AUGUST 31, 1995

Proceeds: \$377,980

Check from the Authority to the West Virginia Municipal Bond Commission for capitalized interest on the Bonds: \$11,200

Check from the Authority to the City of Logan for reimbursement to the Sanitary Board for prior capital expenditures for the Project: \$104,000

Wire from the Authority (OVb, as Trustee) to the 1995 Bond Construction Trust Fund at Bank One, West Virginia, Logan, N.A. (Charlotte Morgan has wiring instructions): \$262,780

Payments from the City:

To the West Virginia Municipal Bond Commission: \$150,890

By deposit of the check for capitalized interest described above: \$11,200

By endorsing to the West Virginia Municipal Bond Commission and depositing the check for reimbursement of capital expenditures described above: \$104,000

By depositing a check of the City (Sanitary Board) to the West Virginia Municipal Bond Commission, to be brought to the closing: \$35,690

To Bank One, West Virginia, Logan, N.A., for repayment of interim financing, by authorizing the transfer from the 1995 Bond Construction Trust Fund of the amount deposited therein: \$262,780

Attached: 1. Instructions to the Municipal Bond Commission
2. Instructions to Bank One

INSTRUCTIONS

TO: West Virginia Municipal Bond Commission

Included with these Instructions are three checks, either made or endorsed to the account of the West Virginia Municipal Bond Commission, totalling \$150,890. Please credit such amount as follows:

1. To the Sinking Fund (Revenue Fund) for the City's Subordinate Sewerage System Revenue Bonds, Series 1995 (the "1995 Bonds"), to pay interest on the 1995 Bonds: \$11,200.
2. To the Sinking Fund (Revenue Fund) for the City's Sewer Revenue Bonds dated March 1, 1964 (the "1964 Bonds"): \$5,700.
3. To the Reserve Account for the 1964 Bonds: \$9,994.
4. To the Sinking Fund (Revenue Fund) for the City's Subordinate Sewerage System Revenue Bonds, Series 1987 (the "1987-A Bonds"): \$15,727.
5. To the Reserve Account for the 1987-A Bonds: \$9,391.
6. To the Sinking Fund (Revenue Fund) for the City's Supplemental Subordinate Sewerage System Revenue Bonds, Series 1987 (the "1987-B Bonds"): \$1,458.
7. To the Sinking Fund (Revenue Fund) for the City's Subordinate Sewerage System Revenue Bonds, Series 1993 (the "1993-A Bonds"): \$52,713.
8. To the Reserve Account for the 1993-A Bonds: \$43,332.
9. To the Sinking Fund (Revenue Fund) for the City's Supplemental Subordinate Sewerage System Revenue Bonds, Series 1993

(the "1993-B Bonds"): \$1,200.

10. To the Reserve Account for the 1993-B Bonds: \$175.

In addition to the above, please transfer the excess funds in the Reserve Account for the 1987-B Bonds, in the amount of \$811, to the Sinking Fund (Revenue Fund) for the 1987-B Bonds.

Dated this 31st day of August, 1995.

The City of Logan, West Virginia

By: _____

Mayor

INSTRUCTIONS

TO: Bank One, West Virginia, Logan, National Association

You have received by wire transfer today, for deposit in the City of Logan's Wastewater Project Construction Account, the sum of \$262,780. Immediately upon such deposit, please debit such account in the amount of \$262,780, and apply such amount to payment of the interim indebtedness incurred by the City in connection with said project with Bank One, Logan.

Dated this 31st day of August 1995.

The City of Logan, West Virginia

By: _____

Mayor and Chairman of Sanitary
Board

ABB0A2BF

DISBURSEMENT REQUEST FORM

Bank One West Virginia, Logan, N.A.
P.O. Box 420
Logan, West Virginia 25601

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

Ladies and Gentlemen:

You are authorized, on behalf of The City of Logan, West Virginia, to make the following disbursements from the Bond Construction Trust Fund:

The expenses listed above* have been incurred as Costs of the Phase III Project that have not been the basis of any previous disbursement. Each item listed above for which payment is now due and owing is or was necessary in connection with the Phase III Project and has been otherwise properly incurred. A copy of the Resolution of Council of The City of Logan, West Virginia, authorizing the disbursements is attached hereto.

Very truly yours,

THE CITY OF LOGAN, WEST VIRGINIA

By: _____
Mayor

KELLY, GIDLEY, BLAIR & WOLFE, INC.

By: _____
Gene R. Weekley, Jr.

Date: _____

*Invoices attached

LOAN PROGRAM
REQUISITION AS TO LOAN TO GOVERNMENTAL AGENCY

TO: ONE VALLEY BANK, NATIONAL ASSOCIATION, Trustee
(formerly Kanawha Valley Bank, National
Association)

- A. Name of Governmental Agency to which payment is to be made: The City of Logan, West Virginia
- B. Total Amount to be paid: \$377,980
- C. Certification by Water Development Authority.

I hereby certify that under the terms and provisions of the Loan Agreement providing for the Loan to the above-captioned Governmental Agency, dated as of August 31, 1995, said Governmental Agency has sold its Local Bonds to the Authority in the principal amount equal to the amount of the Loan set forth in B above, that such Governmental Agency is obligated to make Local Bonds Payments and to pay Fees and Charges in accordance with Section 9.09 of the General Resolution and that such Governmental Agency is not in default under any of the terms or provisions of said Loan Agreement.

I further certify that the Local Bonds Payments, and other moneys available therefor, will be sufficient to pay interest on and Principal Installments of the Bonds, the proceeds of which were used to fund the Loan Obligation, as such interest and Principal Installments come do.

The above certification complies with Subsections
6.06(2)(a)(ii) and (v) of the General Resolution.


Authorized Representative
West Virginia Water Development
Authority

DATE: August 31, 1995

ABB006CFA

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto One Valley Bank, National Association, Charleston, West Virginia, The City of Logan, West Virginia, \$377,980 Subordinate Sewerage System Revenue Bond, Series 1995, numbered R-1, and standing in the name of the West Virginia Water Development Authority on the books of said Governmental Agency.

Dated: August 31, 1995

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Barbara B Meadows
Authorized Representative

ABB06CFA

JACKSON & KELLY

ATTORNEYS AT LAW

1600 LAIDLEY TOWER

P. O. BOX 553

CHARLESTON, WEST VIRGINIA 25322

TELEPHONE 304-340-1000

TELECOPIER 304-340-1130

WRITER'S DIRECT DIAL NO.

August 31, 1995

300 FOXCROFT AVENUE
MARTINSBURG, WEST VIRGINIA 25401
TELEPHONE 304-263-8800

6000 HAMPTON CENTER
MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE 304-599-3000

256 RUSSELL AVENUE
NEW MARTINSVILLE, WEST VIRGINIA 26155
TELEPHONE 304-455-1751

700 EAST WASHINGTON STREET
CHARLES TOWN, WEST VIRGINIA 25414
TELEPHONE 304-728-6088

175 EAST MAIN STREET
LEXINGTON, KENTUCKY 40595
TELEPHONE 606-255-9500

203 WEST MAIN STREET
CLARKSBURG, WEST VIRGINIA 26301
TELEPHONE 304-623-3002

2401 PENNSYLVANIA AVENUE N.W.
WASHINGTON, D.C. 20037
TELEPHONE 202-973-0200

1660 LINCOLN STREET
DENVER, COLORADO 80264
TELEPHONE 303-837-0003

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Ladies and Gentlemen:

We are bond counsel to The City of Logan, West Virginia (the "Governmental Agency"), a duly organized and presently existing municipal corporation and political subdivision under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a Loan Agreement, dated August 31, 1995, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated August 31, 1995 (the "Governmental Agency Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Governmental Agency Bonds are in the principal amount of \$377,980, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, beginning October 1, 1995, at the respective rate and with principal payable in installments on October 1 in each of the years 1996 through 2033, inclusive, all as set forth in Exhibit A incorporated in and made a part of the Governmental Agency Bonds.

The Governmental Agency Bonds are issued for the purpose of paying a portion of the costs of acquiring and constructing certain extensions, improvements and betterments to the existing public sewerage system for the Governmental Agency, to capitalize interest on the Governmental Agency Bonds during construction, and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Local Statute"), under which the Governmental Agency Bonds are issued, and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by an Amendatory and

Supplemental Bond Ordinance (the "Ordinance") duly passed by the Governmental Agency on May 9, 1995, a Supplemental Resolution adopted on August 18, 1995, and a Amendatory Resolution adopted on August 30, 1995 (the "Local Act"), which, together with the ordinances supplemented and amended by the Ordinance, contain provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing municipal corporation with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Governmental Agency Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively adopted the Local Act and all other necessary resolutions and orders in connection with the issuance and sale of the Governmental Agency Bonds.

5. The Governmental Agency Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the System referred to in the Local Act and secured by a second lien on and pledge of the net revenues of said System. Said lien and pledge are subordinate to that created for the City's Sewer Revenue Bonds, dated March 1, 1964, outstanding as of June 30, 1995, in the aggregate principal amount of \$48,000, and are on a parity with that created for the City's Subordinate Sewerage System Revenue Bonds, Series 1987, outstanding

as of June 30, 1995, in the aggregate principal amount of \$604,021, and the City's Subordinate Sewerage System Revenue Bonds, Series 1993, outstanding as of June 30, 1995, in the aggregate principal amount of \$2,263,669.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Governmental Agency Bonds, as provided in the Local Act.

7. The interest on the Governmental Agency Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in the preceding sentence is subject to the condition that the Governmental Agency comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Governmental Agency Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Governmental Agency Bonds to be includable in gross income retroactive to the date of issuance of the Governmental Agency Bonds. The Governmental Agency has covenanted to comply with all such requirements. We express no opinion regarding other federal tax consequences with respect to the Governmental Agency Bonds.

Further, assuming compliance with the certifications, representations, warranties and covenants contained in the Supplemental Resolution adopted by the Governmental Agency on August 18, 1995, and the Certificate as to Non-Arbitrage delivered contemporaneously herewith, we are of the opinion that, under existing statutes, regulations, rulings and court decisions, the proceeds from the sale of the Bonds deposited in the 1995 Bond Construction Trust Fund described in such Certificate as to Non-Arbitrage will not be subject to rebate to the United States under Section 148(f) of the Code.

8. The Governmental Agency Bonds and the interest thereon are, by the Local Statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

West Virginia Water Development
Authority
August 31, 1995
Page 4

It is to be understood that the rights of the holders of the Governmental Agency Bonds and the enforceability of the Governmental Agency Bonds, and the Local Act may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that such enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

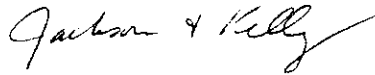


ABB09C0C

EILAND & BENNETT

ATTORNEYS AT LAW

200 BANK ONE BUILDING

Post Office Box 899

LOGAN, WEST VIRGINIA 25601

EDWARD I. EILAND
JOHN W. BENNETT

TELEPHONE (304) 752-2275
TELECOPIER (304) 752-2281

August 31, 1995

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Jackson & Kelly
P.O. Box 553
Charleston, WV 25322

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

Ladies and Gentlemen:

I am Counsel to The City of Logan, West Virginia (the "City"). As such counsel, I have examined copies of the approving opinion of Jackson & Kelly, as bond counsel, relating to the above-captioned bonds of the City (the "Bonds"), the Loan Agreement by and between the West Virginia Water Development Authority (the "Authority") and the City, dated August 31, 1995, and an Amendatory and Supplemental Bond Ordinance duly passed by the Council of the City (the "Council") on May 9, 1995, as supplemented by a Supplemental Resolution adopted August 18 and amended by an amendatory resolution adopted August 30, 1995, (collectively, the "Ordinance"), and other documents relating to the Bonds. Terms used in said opinion, the Loan Agreement and Ordinance and not otherwise defined herein have the same meanings herein.

I am of the opinion that:

1. The Loan Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Authority, constitutes the valid and binding agreement of the City in accordance with its terms.
2. The Mayor and the members of the Council were duly and properly elected or appointed and are thereby authorized to act on behalf of the City.
3. The Ordinance has been duly enacted by the Council of the City and is in full force and effect.
4. The City has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, construction of the

EILAND & BENNETT

West Virginia Water Development Authority
Jackson & Kelly
August 31, 1995
Page 2.

Project, operation of the System and imposition of rates and charges, including, without limitation, the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal.

5. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Loan Agreement, and the carrying out of the terms thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or any existing law, regulation, court order or consent decree to which the City is subject.

6. The City has received all the necessary permits, licenses, approvals and authorizations that are presently obtainable to construct the Project.

7. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public council or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by or the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

8. All land in fee simple and all rights-of-way and easements necessary for the construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase or, in my opinion, if necessary, by condemnation by the City or the Sanitary Board of the City and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions that would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties that may have to be acquired by condemnation are, in my opinion, within the ability of the City to pay for the same without jeopardizing the security of or payments on the Subordinate Bonds.

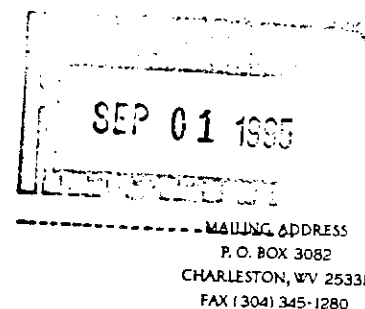
All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,


Counsel to The City of Logan

T. D. KAUFFELT
JAMES D. KAUFFELT
MARK E. KAUFFELT

LAW OFFICES
KAUFFELT & KAUFFELT
803 KANAWHA VALLEY BUILDING
CHARLESTON, WEST VIRGINIA 25301
(304) 345-1272



August 31, 1995

The City of Logan
City Hall
Dingess Street
Logan, WV 25601

Jackson & Kelly
P. O. Box 553
Charleston, WV 25322

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

Ladies and Gentlemen:

I have served as counsel to The City of Logan, West Virginia (the "City"), in regard to certain matters concerning the Public Service Commission of West Virginia (the "Commission"). I was active in obtaining the City's Certificate of Public Convenience and Necessity granted by Order on August 11, 1995. I am also familiar with the Rate Ordinance adopted by the Council of the City on May 9, 1995. Pursuant to the above-noted documents, I am of the opinion as follows:

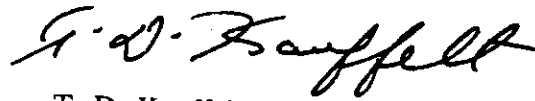
1. The City has received a Certificate of Public Convenience and Necessity from the Commission for construction and operation of the Phase II Project and said Certificate is in full force and effect and is subject to appeal only by the City or the Commission, both of which have indicated they have no intention to appeal the order.
2. The Rate Ordinance adopted by the Council of the City on May 9, 1995, was duly enacted by the Council, is in full force and effect and is not subject to appeal.

KAUFFELT & KAUFFELT

The City of Logan
Jackson & Kelly
August 31, 1995
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3. The City has the authority under the Act to adopt rates, and the revenues from said rates may be used to pay the costs of operation and maintenance of the System and to pay the debt service on and establish reserves for the above-noted Bonds.

Very truly yours,

A handwritten signature in black ink, appearing to read "T. D. Kauffelt", written in a cursive style.

T. D. Kauffelt
Counsel for Public Service Commission
Matters

TDK:rh
r0301501s