THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund)

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Bond Ordinance
2. Supplemental Resolution
3. Loan Agreement for Series 2013 A Bonds
4. Public Service Commission Orders
5. Infrastructure and Jobs Development Council Approval
6. Cross-Receipt for Bond and Bond Proceeds
7. Direction to Authenticate and Deliver Bonds
8. Series 2013 A Specimen Bond

OPINIONS OF COUNSEL

9. Opinion of Steptoe & Johnson PLLC, Bond Counsel
10. Opinion of Counsel to Issuer
11. Title Opinion

CERTIFICATES

12. General Certificate on Series 2013 A Bonds of Issuer and Attorney
13. Certificate of Engineer, with Schedule B Attached
14. Certificate of Certified Public Accountant
15. Certificate as to Use of Proceeds

DOCUMENTS OF THE ISSUER

16. Charter

17. Rules of Procedure

18. Oaths of Office of Officers and Council members

19. A. Water Rate Ordinance
    B. Minutes on Adoption of Water Rate Ordinance
    C. Affidavit of Publication on Water Rate Ordinance and Notice of Public Hearing

20. A. Sewer Rate Ordinance
    B. PSC Order Amending Sewer Rates
    C. Affidavit of Publication on Sewer Rate Ordinance and Notice of Public Hearing

21. Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Supplemental Resolution

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

23. Municipal Bond Commission New Issue Report

MISCELLANEOUS DOCUMENTS

24. Acceptance of Appointment as Depository Bank

25. Acceptance of Duties as Registrar for Series 2013 A Bonds

26. Certificate of Registration of Series 2013 A Bonds

27. Registrar's Agreement for Series 2013 A Bonds

28. Evidence of Insurance

29. Bureau for Public Health Permit

30. Evidence of Compliance with WV Jobs Act

31. A. West Virginia Infrastructure Council Grant Agreement
    B. West Virginia Infrastructure Council Advanced Funding Assistance Agreement

32. Sweep Resolution

33. Closing Memorandum

34. Consent of WDA to Issuance of Parity Bonds

35. Consent of USDA to Issuance of Parity Bonds

36. Prior Bond Ordinances
    A. Series 1997 A
    B. Series 1997 B
    C. Series 2004 A, Series 2004 B & Series 2004 C
    D. Series 2012 A, Series 2012 B & Series 2012 C

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THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND)

BOND ORDINANCE

Table of Contents

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01 Authority for this Ordinance
Section 1.02 Findings
Section 1.03 Bond Legislation Constitutes Contract
Section 1.04 Definitions

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01 Authorization of Acquisition and Construction of the Project

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

Section 3.01 Authorization of Bonds
Section 3.02 Terms of Bonds
Section 3.03 Execution of Bonds
Section 3.04 Authentication and Registration
Section 3.05 Negotiability, Transfer and Registration
Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07 Bonds not to be Indebtedness of the Issuer
Section 3.08 Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds
Section 3.09 Delivery of Bonds
Section 3.10 Form of Series 2013 A Bonds
Section 3.11 Sale of Bonds; Approval and Ratification of Execution of Loan Agreement
Section 3.12 Filing of Amended Schedule

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01	Establishment of Funds and Accounts with Depository Bank
Section 5.02	Establishment of Funds and Accounts with Commission
Section 5.03	System Revenues; Flow of Funds

ARTICLE VI
APPLICATION OF BOND PROCEEDS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
Section 6.02	Disbursements of Bonds Proceeds

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer
Section 7.02	Bonds not to be Indebtedness of the Issuer
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds
Section 7.04	Rates and Charges
Section 7.05	Sale of the System
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07	Parity Bonds
Section 7.08	Books; Records and Audit
Section 7.09	Rates
Section 7.10	Operating Budget and Monthly Financial Report
Section 7.11	Engineering Services and Operating Personnel
Section 7.12	No Competing Franchise
Section 7.13	Enforcement of Collections
Section 7.14	No Free Services
Section 7.15	Insurance and Construction Bonds
Section 7.16	Mandatory Connections
Section 7.17	Completion of Project; Permits and Orders
Section 7.18	Compliance with Loan Agreement and Law
Section 7.19	Statutory Mortgage Lien
Section 7.20	Securities Laws Compliance
Section 7.21	Contracts; Change Orders; Public Releases

ARTICLE VIII
INVESTMENT OF FUNDS

Section 8.01	Investments
Section 8.02	Certificate as to Use of Proceeds

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	Events of Default
Section 9.02	Remedies
Section 9.02	Appointment of Receiver

ARTICLE X
PAYMENT OF BONDS

Section 10.01	Payment of Bonds

ARTICLE XI
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation
Section 11.02	Bond Legislation Constitutes Contract
Section 11.03	Severability of Invalid Provisions
Section 11.04	Headings, Etc.
Section 11.05	Conflicting Provisions Repealed
Section 11.06	Covenant of Due Procedure, Etc.
Section 11.07	Statutory Notice and Public Hearing
Section 11.08	Effective Date
	SIGNATURES
	CERTIFICATION

THE CITY OF BELINGTON

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

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

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the water portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of replacement of the existing 300,000 gallon East Tank with a new 547,000 gallon tank with amixing system; rehabilitation of the 500,000 gallon West Tank, together with all appurtenant facilities (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund (the "Infrastructure Fund") for the West Virginia Infrastructure and Jobs Development Council (the "Council") pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than $1,000,000, (the "Series 2013 A Bonds"), to be initially represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. The Costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said Costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2013 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amount which may be deposited in the Series 2013 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2013 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2013 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2013 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "Loan Agreement") by and between the Issuer and the Authority on behalf of the Council, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2013 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's:

(1) Combined Waterworks and Sewerage System Revenue Bond, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original aggregate principal amount of $475,000 (the "Series 1997 A Bonds");

(2) Combined Waterworks and Sewerage System Design Revenue Bond, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, issued in the original aggregate principal amount of $350,000 (the "Series 1997 B Bonds");

(3) Combined Waterworks and Sewerage System Refunding Revenue Bond, Series 2004 A (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $348,947 (the "Series 2004 A Bonds");

(4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $1,351,053 (the "Series 2004 B Bonds");

(5) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), dated July 15, 2004, issued in the original aggregate principal amount of $1,000,000 (the "Series 2004 C Bonds");

(6) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated September 20, 2012, issued in the original aggregate principal amount of $1,250,000 (the "Series 2012 A Bonds");

(7) Combined Waterworks and Sewerage System Bonds, Series 2012 B (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,750,000 (the "Series 2012 B Bonds"); and

(8) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 C (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,100,000 (the "Series 2012 C Bonds"), (collectively, the "Prior Bonds").

The Series 2013 A Bonds shall be issued on a parity with Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2013 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds have been met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2013 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein and in the Prior Ordinances (as hereinafter defined).

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2013 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council pursuant to Chapter 31, Article 15A of the West Virginia Code of 1931, as amended. Unless it qualifies for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2013 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2013 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means, collectively, the Series 2013 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Clerk" means the Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2013 A Bonds for all or a portion of the proceeds of the Series 2013 A Bonds from the Authority.

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

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

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

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

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

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

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

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

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

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

"Grants" means, collectively, all grant monies received by the Issuer for the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenue" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees as hereinafter defined.

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

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

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

"Loan Agreement" means the loan agreement heretofore entered, or to be entered into by and between the Issuer and the Authority on behalf of the Council, providing for the purchase of the Series 2013 A Bonds, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2013 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2013 A Bonds Reserve Account.

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

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

"Outstanding," when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond or Prior Bond cancelled by the Bond Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or any Prior Bond for the payment of which monies, equal to its principal amount and redemption

premium, if applicable, with interest to the date of maturity or redemption shall be in trust and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders or Holders of any Prior Bond, any Bond or any Prior Bond registered to the Issuer.

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2013 A Bonds by the Issuer in the Supplemental Resolution with the written consent of the Authority and the Council.

"Prior Bonds" means, collectively, the Series 1997 A Bonds, Series 1997 B Bonds, Series 2004 A Bonds, Series 2004 B Bonds, Series 2004 C Bonds, Series 2012 A Bonds, Series 2012 B Bonds and Series 2012 C Bonds.

"Prior Ordinances" means, collectively, the ordinances of the Issuer authorizing the Prior Bonds.

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

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

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association

or issued by any other federal agency and backed by the full faith and credit of the United States of America;

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended including, without limitation, authorized pools of investments operated by such State Board of Investments; and

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Prior Ordinances and continued hereby.

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2013 A Bonds and the Prior Bonds.

"Reserve Requirement" means collectively, the respective amounts required to be on deposit in any Reserve Account.

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

"RUS Bonds" means the Series 2004 A Bonds, Series 2004 B Bonds, Series 2012 B Bonds and Series 2012 C Bonds.

"Series 1997 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bond, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original aggregate principal amount of $475,000.

"Series 1997 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Design Revenue Bond, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, issued in the original aggregate principal amount of $350,000.

"Series 2004 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bond, Series 2004 A (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $348,947.

"Series 2004 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $1,351,053.

"Series 2004 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), dated July 15, 2004, issued in the original aggregate principal amount of $1,000,000.

"Series 2012 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated September 20, 2012, issued in the original aggregate principal amount of $1,250,000.

"Series 2012 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Bonds, Series 2012 B (United States Department of Agriculture), September 20, 2012, issued in the original aggregate principal amount of $1,750,000.

"Series 2012 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Bonds, Series 2012 C (United States Department of Agriculture), September 20, 2012, issued in the original aggregate principal amount of $1,100,000.

"Series 2013 A Bonds Construction Trust Fund" means the Series 2013 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2013 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2013 A Bonds Reserve Account" means the Series 2013 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2013 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2013 A Bonds in the then current or any succeeding year.

"Series 2013 A Bonds Sinking Fund" means the Series 2013 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2013 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2013 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2013 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means the existing combined waterworks and sewerage system of the Issuer, as expanded and improved by the Project, and includes the complete waterworks and sewerage system of the Issuer and all waterworks and sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the combined waterworks and sewerage system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the combined waterworks and sewerage system after the completion of the Project.

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated Cost of not to exceed $1,667,187, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2013 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount compatible with the financing plan submitted to the Council and the Authority.

The Cost of the Project is estimated not to exceed $1,667,187 of which an amount of approximately $1,000,000 will be obtained from the proceeds of the 2013 A Bonds; and $667,187 will be obtained from grants from the Council.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying a portion of Costs of the Project not otherwise provided for and paying certain costs of

issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2013 A Bonds of the Issuer. The Series 2013 A Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund)", in the principal amount of not more than $1,00,000 (the "Series 2013 A Bonds"), and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2013 A Bonds remaining after funding of the Series 2013 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2013 A Bonds, if any, shall be deposited in or credited to the Series 2013 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2013 A Bonds shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2013 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2013 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2013 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 2013 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2013 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall have such terms as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2013 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2013 A Bonds shall cease to be such officer of the Issuer before the Series 2013 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold

such office. Any Series 2013 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2013 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2013 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2013 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2013 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide Holder for value.

So long as the Series 2013 A Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2013 A Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2013 A Bonds or transferring the registered Series 2013 A Bonds is exercised, all Series 2013 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2013 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2013 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the

Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2013 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2013 A Bonds or, in the case of any proposed redemption of Series 2013 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2013 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2013 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2013 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2013 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of all Series 2013 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2013 A Bonds and the Prior Bonds and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2013 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2013 A Bonds to the original purchasers upon receipt of the documents set forth below:

(1) If other than the Authority, a list of the names in which the Series 2013 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

(2) A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2013 A Bonds to the original purchasers;

(3) An executed and certified copy of the Bond Legislation;

(4) An executed copy of the Loan Agreement; and

(5) The unqualified approving opinion of bond counsel on the Series 2013 A Bonds.

Section 3.10. Form of Series 2013 A Bonds. The text of the Series 2013 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2013 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2013 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this ___ day of ___ _____, 2013, THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, to and including ____ _____1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference; with interest of 1.0% per annum payable in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, to and including _____ 1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or 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 the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and

between the Issuer and the Authority on behalf of the Council, dated _____, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the water portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS");

(2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BOND, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $350,000 (THE "SERIES 1997 B BONDS");

(3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $348,947 (THE "SERIES 2004 A BONDS");

(4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,351,053 (THE "SERIES 2004 B BONDS");

(5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 15,

2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 2004 C BONDS");

(6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED SEPTEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2012 A BONDS");

(7) COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,750,000 (THE "SERIES 2012 B BONDS"); AND

(8) COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2012 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2012 C BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2013 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2013 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with, or subordinate to, the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the

Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated as of the date first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2013 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule for the Series 2013 A Bonds, the form of which will be provided by the Authority and the Council, setting forth the actual Costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Ordinances);

(2) Renewal and Replacement Fund (established by the Prior Ordinances); and

(3) Series 2013 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by the Prior Ordinances) with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1997 A Bonds Sinking Fund (established by the Prior Ordinances);

(2) Series 1997 A Bonds Reserve Account (established by the Prior Ordinances);

(3) Series 1997 B Bonds Sinking Fund Account (established by the Prior Ordinances);

(4) Series 1997 B Bonds Reserve Account (established by the Prior Ordinances);

(5) Series 2004 A Bonds Reserve Account (established by the Prior Ordinances);

(6) Series 2004 B Bonds Reserve Account (established by the Prior Ordinances);

(7) Series 2004 C Bonds Sinking Fund Account (established by the Prior Ordinances);

(8) Series 2004 C Bonds Reserve Account (established by the Prior Ordinances);

(9) Series 2012 A Bonds Sinking Fund Account (established by the Prior Ordinances);

(10) Series 2012 A Bonds Reserve Account (established by the Prior Ordinances);

(11) Series 2012 B Bonds Reserve Account (established by the Prior Ordinances);

(12) Series 2012 C Bonds Reserve Account (established by the Prior Ordinances);

(13) Series 2013 A Bonds Sinking Fund; and

(14) Series 2013 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and in the Prior Ordinances and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Prior Ordinances. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, each month, transfer from the Revenue Fund to pay current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit (i) to the National Finance Office the amount required by Prior Ordinances to pay interest on the RUS Bonds; (ii) to the Commission the amount required by Prior Ordinances to pay interest on the Series 1997 A Bonds and Series 1997 B Bonds; and (iii) to the Commission commencing 4 months prior to the first date of payment of interest of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2013 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2013 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the National Finance Office the amount required by Prior Ordinances to pay principal on the RUS Bonds; (ii) to the Commission the amount required by Prior Ordinances to pay principal on the Series 1997 A Bonds, Series 1997 B Bonds, Series 2004 C Bonds and Series 2012 A Bonds; and (iii) to the Commission commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2013 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2013 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective reserve accounts for

the Prior Bonds, the amounts required by the Prior Ordinances to be deposited therein; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, if not fully funded upon issuance of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2013 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2013 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2013 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2013 A Bonds as the same shall become due. Monies in the Series 2013 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2013 A Bonds as the same shall come due, when other monies in the Series 2013 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2013 A Bonds Sinking Fund and Series 2013 A Bonds Reserve Account, shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2013 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2013 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2013 A Bonds Reserve Account which result in a reduction in the balance of the Series 2013 A Bonds Reserve Account to below the Series 2013 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2013 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2013 A Bonds Sinking Fund or the Series 2013 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2013 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and Series 2013 A Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 A Bonds, respectively, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2013 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as

to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2013 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

(1) From the proceeds of the Series 2013 A Bonds, there shall first be deposited with the Commission in the Series 2013 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2013 A Bonds for the period commencing on the date of issuance of the Series 2013 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

(2) Next, from the proceeds of the Series 2013 A Bonds, there shall be deposited with the Commission in the Series 2013 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2013 A Bonds Reserve Account.

(3) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2013 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2013 A Bonds Construction Trust Fund and applied solely to payment of the Costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2013 A Bonds.

(4) After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2013 A Bonds shall be expended as approved by the Council.

Section 6.02. Disbursements of Bond Proceeds. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2013 A Bonds from the Series 2013 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council of a certificate signed by an Authorized Officer stating that:

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

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

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

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

Pending such application, monies in the Series 2013 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2013 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2013 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2013 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2013 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2013 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2013 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2013 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2013 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the water rate ordinance enacted on May 2, 2013, setting forth the respective rates and charges for the services of the water portion of the System. The Issuer has duly enacted a sewer rate ordinance on February 18, 2010 which ordinance was amended by Recommended Decision entered on July 1, 2010 by the Public Service Commission of West Virginia in Case No. 10-0373-S-MA setting forth the respective rates and charges for the services of the sewerage portion of the System. The time for appeal of

the Commission Order has expired prior to the date hereof. Such Order is in full force and effect.

So long as the Series 2013 A Bonds are Outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2013 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System or any part thereof, except as provided in the Prior Ordinances.

So long as the Series 2013 A Bonds are Outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2013 A Bonds, immediately be remitted to the Commission for deposit in the Series 2013 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to immediately apply such proceeds to the payment of principal of and interest on the Series 2013 A Bonds. Any balance remaining after the payment of all the Series 2013 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provisions notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and the Governing Body may

then, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property shall be deposited in the Renewal and Replacement Fund.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for herein, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2013 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2013 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2013 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

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

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2013 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions, extensions, improvements or betterments to the System or refunding any Outstanding Bonds, or both such purposes.

So long as the RUS Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds Outstanding;

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

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the RUS Bonds representing 75% of the then-outstanding principal indebtedness.

So long as the Series 1997 A Bonds, Series 1997 B Bonds, Series 2004 C Bonds, Series 2012 A Bonds or Series 2013 A Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and this Bond Legislation then Outstanding; and

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the

Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Clerk prior to the issuance of such Parity Bonds.

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

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

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

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition,

construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

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

The Issuer shall file with the Council and the Authority, or any other original purchaser of the Series 2013 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2013 A Bonds, requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2013 A Bonds and shall submit said report to the Authority and the Council, or any other original purchaser

of the Series 2013 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

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

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

Section 7.09. Rates. So long as the Prior Bonds are Outstanding, the Issuer will maintain rates as required in the Prior Ordinances. Prior to the issuance of the Series 2013 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules 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 hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2013 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2013 A Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Series 2013 A Bonds Reserve Account and any reserve accounts for obligations on a parity with, or subordinate to, the Series 2013 A Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required

in any year for payment of principal of and interest on the Series 2013 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2013 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the Council or to any Holder of any Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and on behalf of such Holder of any Bonds.

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

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

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the Council covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies.

Such engineer shall certify to the Council, the Authority and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

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

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Authority. Following completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2013 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement

of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 20-day notice of the availability of the System, pay the rates and charges established therefor.

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

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2013 A Bonds required by State law, with all appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement, the Act and this Bond Legislation. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority. The Issuer agrees to comply with all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by and the guidelines established by the Authority and the Public Service Commission of West Virginia.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2013 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2013 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2013 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2013 A Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2013 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more

often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2013 A Bonds as a condition to issuance of the Series 2013 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2013 A Bonds as may be necessary in order to maintain the status of the Series 2013 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of proceeds of the Series 2013 A Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2013 A Bonds are delivered, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2013 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2013 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2013 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its respective part relating to the Series 2013 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2013 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the

Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of the Series 2013 A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due; (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System; (iii) bring suit upon the Series 2013 A Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2013 A Bonds; and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2013 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2013 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2013 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2013 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2013 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2013 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2013 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2013 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2013 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2013 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2013 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2013 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2013 A Bonds from gross income of the Holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2013 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

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

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Barbour Democrat*, a newspaper published and of general circulation in The City of Belington, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2013 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Passed on First Reading:	September 5, 2013
Passed on Second Reading:	September 19, 2013
Passed on Final Reading Following Public Hearing:	October 17, 2013

William R. King
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF BELINGTON on the 17th day of October, 2013.

Dated: November 13, 2013.

[SEAL]

Susan Bradley

Clerk

062490.00005

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND) OF THE CITY OF BELINGTON; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Belington (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective October 17, 2013 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, in the aggregate principal amount not to exceed $1,000,000 (the "Series 2013 A Bonds") and has authorized the execution and delivery of a loan agreement relating to the Series 2013 A Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Series 2013 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $667,188. The Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2053, and shall bear interest at the rate of one percent (1.0%) per annum. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2015, to and including September 1, 2053, and the interest installments shall be payable quarterly on March 1, June 1, September 1 and December 1 in each year, beginning September 1, 2015, to and including September 1, 2053, all in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Bonds.

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

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

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

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

Section 6. The Issuer does hereby appoint and designate Freedom Bank, Belington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2013 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2013 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2013 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2013 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 2013 A Bonds Construction Trust Fund as received from the Council from time to time for payment of Costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Mayor and the Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2013 A Bonds to be issued hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2013 A Bonds may be delivered on or about November 13, 2013, to the Authority pursuant to the Loan Agreement.

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

Section 12. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 7th day of November, 2013.

William R. King

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Belington on the 7th day of November, 2013.

Dated: November 13, 2013.

[SEAL]

Susan Bradley

Clerk

062490.00005

IC-1
(07/13)

LOAN AGREEMENT

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

THE CITY OF BELINGTON
(2012W-1315)

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Governmental Agency has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has

done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers.

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

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

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

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

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

covered by the particular contract as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

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

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

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

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

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

2.13 The Governmental Agency shall serve the additional customers at the location(s) as set forth in Schedule X. The Governmental Agency shall not reduce the amount of additional customers served by the project without the prior written approval of the WDA Board. Following completion of the Project the Governmental Agency shall certify to the Authority the number of customers added to the System.

2.14 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the WDA and the Public Service Commission of West Virginia.

ARTICLE III

Conditions to Loan;
Issuance of Local Bonds

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

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

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

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

the Authority and the Council shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit A;

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

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

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, including compliance with Chapter 21, Article 1D of the Code of West Virginia, 1931, as amended, and the Authority and the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

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

(i) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has

been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of projects and satisfactory to the Authority and the Council, to such effect, such certificate to be in form and substance satisfactory to the Authority and the Council, and evidence satisfactory to the Authority and the Council of such irrevocably committed grants.

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

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

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

(b) Covenants substantially as follows:

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

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

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

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

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus

reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and the Council; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and the Council, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof;

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

(xiv) That the proceeds of the Local Bonds, advanced from time to time, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Governmental Agency and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Governmental Agency, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and the Council, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

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

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

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

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

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

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

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

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

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

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not

limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

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

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

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

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

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

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

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

ARTICLE V

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

5.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

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

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

THE CITY OF BELINGTON

(SEAL)

By: William R. King
Its: Mayor
Date: November 13, 2013

Attest:
Susan Bradley
Its: Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: November 13, 2013

Attest:
Sheila A Miller
Its: Authorized Officer

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

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

as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Funding Assistance Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; (xi) the Project was designed and will be constructed in compliance with the provisions of West Virginia Code Chapter 22, Article 29; and (xii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve _____ new customers in the _____ area.

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

[SEAL]

_____

By: _____
West Virginia License No. _____

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
1009 Bullitt Street
Charleston, WV 25301

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____

{C2699860.1}

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:		
Interest	$	
Principal	$	
Total:		$
Reserve Account:		$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$667,188
Purchase Price of Local Bonds	$667,188

The Local Bonds shall bear interest at a rate of 1% per annum, commencing June 1, 2015. Commencing September 1, 2015, principal of and interest on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

(1) Combined Waterworks and Sewerage System Revenue Bond, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original aggregate principal amount of $475,000;

(2) Combined Waterworks and Sewerage System Design Revenue Bond, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, issued in the original aggregate principal amount of $350,000;

(3) Combined Waterworks and Sewerage System Refunding Revenue Bond, Series 2004 A (United States Department of Agriculture),

dated July 15, 2004, issued in the original aggregate principal amount of $348,947;

(4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $1,351,053;

(5) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), dated July 15, 2004, issued in the original aggregate principal amount of $1,000,000;

(6) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated September 20, 2012, issued in the original aggregate principal amount of $1,250,000;

(7) Combined Waterworks and Sewerage System Bonds, Series 2012 B (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,750,000; and

(8) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 C (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,100,000.

Number of New Users: 0
Location: N/A

SCHEDULE Y
DEBT SERVICE SCHEDULE

Bond Debt Service
The City of Belington
IF
$667,188
1% Interest Rate
40 Years from Closing Date

Dated Date	11/13/2013
Delivery Date	11/13/2013

Period Ending	Principal	Coupon	Interest	Debt Service
9/1/2015	3,585	1.000%	1,667.97	5,252.97
12/1/2015	3,594	1.000%	1,659.01	5,253.01
3/1/2016	3,603	1.000%	1,650.02	5,253.02
6/1/2016	3,612	1.000%	1,641.02	5,253.02
9/1/2016	3,621	1.000%	1,631.99	5,252.99
12/1/2016	3,630	1.000%	1,622.93	5,252.93
3/1/2017	3,639	1.000%	1,613.86	5,252.86
6/1/2017	3,648	1.000%	1,604.76	5,252.76
9/1/2017	3,657	1.000%	1,595.64	5,252.64
12/1/2017	3,667	1.000%	1,586.50	5,253.50
3/1/2018	3,676	1.000%	1,577.33	5,253.33
6/1/2018	3,685	1.000%	1,568.14	5,253.14
9/1/2018	3,694	1.000%	1,558.93	5,252.93
12/1/2018	3,703	1.000%	1,549.69	5,252.69
3/1/2019	3,713	1.000%	1,540.44	5,253.44
6/1/2019	3,722	1.000%	1,531.15	5,253.15
9/1/2019	3,731	1.000%	1,521.85	5,252.85
12/1/2019	3,741	1.000%	1,512.52	5,253.52
3/1/2020	3,750	1.000%	1,503.17	5,253.17
6/1/2020	3,759	1.000%	1,493.79	5,252.79
9/1/2020	3,769	1.000%	1,484.40	5,253.40
12/1/2020	3,778	1.000%	1,474.97	5,252.97
3/1/2021	3,788	1.000%	1,465.53	5,253.53
6/1/2021	3,797	1.000%	1,456.06	5,253.06
9/1/2021	3,807	1.000%	1,446.57	5,253.57
12/1/2021	3,816	1.000%	1,437.05	5,253.05
3/1/2022	3,826	1.000%	1,427.51	5,253.51
6/1/2022	3,835	1.000%	1,417.94	5,252.94
9/1/2022	3,845	1.000%	1,408.36	5,253.36
12/1/2022	3,854	1.000%	1,398.74	5,252.74
3/1/2023	3,864	1.000%	1,389.11	5,253.11
6/1/2023	3,874	1.000%	1,379.45	5,253.45
9/1/2023	3,883	1.000%	1,369.76	5,252.76
12/1/2023	3,893	1.000%	1,360.06	5,253.06
3/1/2024	3,903	1.000%	1,350.32	5,253.32
6/1/2024	3,913	1.000%	1,340.57	5,253.57
9/1/2024	3,922	1.000%	1,330.78	5,252.78
12/1/2024	3,932	1.000%	1,320.98	5,252.98
3/1/2025	3,942	1.000%	1,311.15	5,253.15
6/1/2025	3,952	1.000%	1,301.29	5,253.29
9/1/2025	3,962	1.000%	1,291.41	5,253.41
12/1/2025	3,972	1.000%	1,281.51	5,253.51
3/1/2026	3,982	1.000%	1,271.58	5,253.58

Bond Debt Service

The City of Belington

IF

$667,188

1% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
6/1/2026	3,991	1.000%	1,261.62	5,252.62
9/1/2026	4,001	1.000%	1,251.65	5,252.65
12/1/2026	4,011	1.000%	1,241.64	5,252.64
3/1/2027	4,021	1.000%	1,231.62	5,252.62
6/1/2027	4,032	1.000%	1,221.56	5,253.56
9/1/2027	4,042	1.000%	1,211.48	5,253.48
12/1/2027	4,052	1.000%	1,201.38	5,253.38
3/1/2028	4,062	1.000%	1,191.25	5,253.25
6/1/2028	4,072	1.000%	1,181.09	5,253.09
9/1/2028	4,082	1.000%	1,170.91	5,252.91
12/1/2028	4,092	1.000%	1,160.71	5,252.71
3/1/2029	4,103	1.000%	1,150.48	5,253.48
6/1/2029	4,113	1.000%	1,140.22	5,253.22
9/1/2029	4,123	1.000%	1,129.94	5,252.94
12/1/2029	4,133	1.000%	1,119.63	5,252.63
3/1/2030	4,144	1.000%	1,109.30	5,253.30
6/1/2030	4,154	1.000%	1,098.94	5,252.94
9/1/2030	4,165	1.000%	1,088.55	5,253.55
12/1/2030	4,175	1.000%	1,078.14	5,253.14
3/1/2031	4,185	1.000%	1,067.70	5,252.70
6/1/2031	4,196	1.000%	1,057.24	5,253.24
9/1/2031	4,206	1.000%	1,046.75	5,252.75
12/1/2031	4,217	1.000%	1,036.24	5,253.24
3/1/2032	4,227	1.000%	1,025.69	5,252.69
6/1/2032	4,238	1.000%	1,015.13	5,253.13
9/1/2032	4,249	1.000%	1,004.53	5,253.53
12/1/2032	4,259	1.000%	993.91	5,252.91
3/1/2033	4,270	1.000%	983.26	5,253.26
6/1/2033	4,280	1.000%	972.59	5,252.59
9/1/2033	4,291	1.000%	961.89	5,252.89
12/1/2033	4,302	1.000%	951.16	5,253.16
3/1/2034	4,313	1.000%	940.40	5,253.40
6/1/2034	4,323	1.000%	929.62	5,252.62
9/1/2034	4,334	1.000%	918.81	5,252.81
12/1/2034	4,345	1.000%	907.98	5,252.98
3/1/2035	4,356	1.000%	897.12	5,253.12
6/1/2035	4,367	1.000%	886.23	5,253.23
9/1/2035	4,378	1.000%	875.31	5,253.31
12/1/2035	4,389	1.000%	864.36	5,253.36
3/1/2036	4,400	1.000%	853.39	5,253.39
6/1/2036	4,411	1.000%	842.39	5,253.39
9/1/2036	4,422	1.000%	831.36	5,253.36
12/1/2036	4,433	1.000%	820.31	5,253.31
3/1/2037	4,444	1.000%	809.23	5,253.23
6/1/2037	4,455	1.000%	798.12	5,253.12
9/1/2037	4,466	1.000%	786.98	5,252.98
12/1/2037	4,477	1.000%	775.81	5,252.81

Bond Debt Service

The City of Belington

IF

$667,188

1% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
3/1/2038	4,488	1.000%	764.62	5,252.62
6/1/2038	4,500	1.000%	753.40	5,253.40
9/1/2038	4,511	1.000%	742.15	5,253.15
12/1/2038	4,522	1.000%	730.87	5,252.87
3/1/2039	4,534	1.000%	719.57	5,253.57
6/1/2039	4,545	1.000%	708.23	5,253.23
9/1/2039	4,556	1.000%	696.87	5,252.87
12/1/2039	4,568	1.000%	685.48	5,253.48
3/1/2040	4,579	1.000%	674.06	5,253.06
6/1/2040	4,590	1.000%	662.61	5,252.61
9/1/2040	4,602	1.000%	651.14	5,253.14
12/1/2040	4,613	1.000%	639.63	5,252.63
3/1/2041	4,625	1.000%	628.10	5,253.10
6/1/2041	4,637	1.000%	616.54	5,253.54
9/1/2041	4,648	1.000%	604.95	5,252.95
12/1/2041	4,660	1.000%	593.33	5,253.33
3/1/2042	4,671	1.000%	581.68	5,252.68
6/1/2042	4,683	1.000%	570.00	5,253.00
9/1/2042	4,695	1.000%	558.29	5,253.29
12/1/2042	4,707	1.000%	546.55	5,253.55
3/1/2043	4,718	1.000%	534.79	5,252.79
6/1/2043	4,730	1.000%	522.99	5,252.99
9/1/2043	4,742	1.000%	511.17	5,253.17
12/1/2043	4,754	1.000%	499.31	5,253.31
3/1/2044	4,766	1.000%	487.43	5,253.43
6/1/2044	4,778	1.000%	475.51	5,253.51
9/1/2044	4,790	1.000%	463.57	5,253.57
12/1/2044	4,801	1.000%	451.59	5,252.59
3/1/2045	4,813	1.000%	439.59	5,252.59
6/1/2045	4,826	1.000%	427.56	5,253.56
9/1/2045	4,838	1.000%	415.49	5,253.49
12/1/2045	4,850	1.000%	403.40	5,253.40
3/1/2046	4,862	1.000%	391.27	5,253.27
6/1/2046	4,874	1.000%	379.12	5,253.12
9/1/2046	4,886	1.000%	366.93	5,252.93
12/1/2046	4,898	1.000%	354.72	5,252.72
3/1/2047	4,911	1.000%	342.47	5,253.47
6/1/2047	4,923	1.000%	330.19	5,253.19
9/1/2047	4,935	1.000%	317.89	5,252.89
12/1/2047	4,948	1.000%	305.55	5,253.55
3/1/2048	4,960	1.000%	293.18	5,253.18
6/1/2048	4,972	1.000%	280.78	5,252.78
9/1/2048	4,985	1.000%	268.35	5,253.35
12/1/2048	4,997	1.000%	255.89	5,252.89
3/1/2049	5,010	1.000%	243.39	5,253.39
6/1/2049	5,022	1.000%	230.87	5,252.87
9/1/2049	5,035	1.000%	218.31	5,253.31

Bond Debt Service

The City of Belington

IF

$667,188

1% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2049	5,047	1.000%	205.73	5,252.73
3/1/2050	5,060	1.000%	193.11	5,253.11
6/1/2050	5,073	1.000%	180.46	5,253.46
9/1/2050	5,085	1.000%	167.78	5,252.78
12/1/2050	5,098	1.000%	155.06	5,253.06
3/1/2051	5,111	1.000%	142.32	5,253.32
6/1/2051	5,124	1.000%	129.54	5,253.54
9/1/2051	5,136	1.000%	116.73	5,252.73
12/1/2051	5,149	1.000%	103.89	5,252.89
3/1/2052	5,162	1.000%	91.02	5,253.02
6/1/2052	5,175	1.000%	78.11	5,253.11
9/1/2052	5,188	1.000%	65.18	5,253.18
12/1/2052	5,201	1.000%	52.21	5,253.21
3/1/2053	5,214	1.000%	39.20	5,253.20
6/1/2053	5,227	1.000%	26.17	5,253.17
9/1/2053	5,240	1.000%	13.10	5,253.10
	667,188		136,538.42	803,726.42

SCHEDULE Z

(None)

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

8/12/2013

Issued: July 23, 2013

CASE NO. 13-0525-W-CN

CITY OF BELINGTON
Application for a certificate of convenience and necessity for water storage tank improvement project, Barbour County.

RECOMMENDED DECISION

The application for a certificate of convenience and necessity is granted, and the project and its funding are approved. The City is ordered to file a plan for locating leaks and reducing water losses.

PROCEDURE

On April 15, 2013, the City of Belington (City) filed with the Public Service Commission (Commission) an application for a certificate of convenience and necessity for a water storage tank improvement project. Supporting documentation was filed.

Also on April 15, 2013, the Commission directed the City to publish a Notice of Filing, which provided that, if no substantial protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application.

On April 23, 2013, by Order, the Commission referred this matter to the Division of Administrative Law Judges (ALJ Division) for decision no later than September 27, 2013.

On June 6, 2013, the City filed affidavits establishing that the Notice of Filing had been posted; sent by certified mail on April 17, 2013, to its resale customer, Central Barbour Public Service District; and published on April 24, 2013, in The Barbour Democrat.

On June 17, 2013, the District filed a letter from the West Virginia Infrastructure and Jobs Development Council committing to the funding for the project.

On July 12, 2013, the Final Joint Staff Memorandum was filed.

FINDINGS OF FACT

1. On April 15, 2013, the City of Belington filed with the Public Service Commission an application for a certificate of convenience and necessity for a water storage tank improvement project. (See application).

2. The City has approximately 946 domestic, commercial, and industrial customers and one resale customer, Central Barbour Public Service District. (See application; Final Joint Staff Memorandum filed July 15, 2013).

3. The City posted the Notice of Filing; sent it by certified mail on April 17, 2013, to its resale customer, Central Barbour Public Service District; and had the notice published on April 24, 2013, in The Barbour Democrat. No protest was filed. (See filing of June 6, 2013; Commission case file).

4. The project consists of the following: replacing the City's 350,000-gallon capacity East Tank with a new 547,000-gallon capacity steel storage tank with concrete foundation and floor; renovating the City's 500,000-gallon welded steel West Tank by completely cleaning it and painting both its interior and the exterior with a long-life paint, in addition to minor upgrades on the tank; and installing finished water mixing systems in the tanks. (See application; Final Joint Staff Memorandum filed July 12, 2013).

5. The project has been approved by the West Virginia Infrastructure and Jobs Development Council, and the West Virginia Bureau for Public Health, on November 19, 2012, issued Permit No. 19,154 for the project. (See application; Final Joint Staff Memorandum).

6. The East Tank was built around 1972 and is greatly deteriorated. The West Tank, placed in service around 1986, is in need of restoration. The finished water mixing systems prevent stagnation of water, which can lead to the formation of undesirable chlorination byproducts and adversely impact palatability. (See Final Joint Staff Memorandum).

7. The estimated cost of the project is $1,334,376, including an estimated construction cost of $894,250. Staff found the estimated costs to be reasonable. (See application; Final Joint Staff Memorandum).

8. The project has not been bid. (See Final Joint Staff Memorandum).

9. The project will be funded by a $667,187 grant from WVIJDC and a $667,188 loan from WVIJDC, payable over forty years, at a 1% annual interest rate. (See application; filing of June 17, 2013; Final Joint Staff Memorandum).

9. The City raised its water rates, effective June 16, 2013; its revenue will be sufficient to repay the loan. (See Final Joint Staff Memorandum).

10. Staff recommended that the application be granted and the project and its funding be approved. (See Final Joint Staff Memorandum).

11. Because unaccounted-for water losses were 34.6% in 2012, up from 20.9% in 2011 and 12.1% in 2010, the UFW rate is well above the 15% allowed by the Commission, and the rate has been climbing. Staff recommended that the City develop and implement a plan for locating leaks and reducing water losses. (See Final Joint Staff Memorandum).

CONCLUSIONS OF LAW

1. It is appropriate to grant the application and to approve the project, pursuant to W.Va. Code §24-2-11, because the public convenience and necessity require the project.

2. It is appropriate to approve the funding for the project.

3. It is appropriate to order the City to file a plan for locating leaks and reducing water losses. Compare Preston Co. Pub. Serv. Dis. No. 2, Case No. 13-0826-PWD-30B (July 19, 2013).

ORDER

IT IS, THEREFORE, ORDERED that, within six (6) months of the date on which this decision becomes final, the City of Belington file with the Commission a plan for locating leaks and reducing water losses.

IT IS FURTHER ORDERED that the application filed on April 15, 2013, by the City of Belington for a certificate of convenience and necessity for a water storage tank improvement project, at a total estimated cost of $1,334,375, is granted and the project is approved, without specific approval of the project's plans and specifications.

IT IS FURTHER ORDERED that the City of Belington not proceed to construction unless and until it has received and filed with the Commission all required federal, state, and local permits.

IT IS FURTHER ORDERED that the funding for the project, consisting of a $667,188 grant from WVIJDC and a $667,187 loan from WVIJDC, payable over forty years, at a 1% annual interest rate, is approved.

IT IS FURTHER ORDERED that, if there are any changes in the plans and/or scope of the project or if a change in project cost or financing affects rates, the City of Belington obtain Commission approval of such changes prior to commencing construction.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the City of Belington comply with all rules and regulations of the Division of Highways regarding use of those rights-of-way.

IT IS FURTHER ORDERED that, if there are any changes in the project costs that do not affect rates, the City of Belington file an affidavit duly executed by its accountant verifying that the City's rates and charges are not affected.

IT IS FURTHER ORDERED that the City of Belington file a copy of the engineer's certified tabulation of bids for the project within ten (10) days of the opening date.

IT IS FURTHER ORDERED that the City of Belington file with the Commission a certificate of substantial completion for each contract awarded for the project from its engineer as soon as each becomes available.

IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, and upon all parties of record who have not filed an e-service agreement with the Commission.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's Order by filing an appropriate petition in writing with the Executive Secretary. No such waiver will be effective until approved by order of the Commission.

Sunya Anderson
Administrative Law Judge

SA:s
130525a.docx

OFFICE OF THE BARBOUR DEMOCRAT

I, John Eric Cutright, Publisher of **The BARBOUR DEMOCRA**
published in the City of Philippi, County of Barbour, and St
certify that the annexed:

LEGAL NOTICE

was duly printed in said paper one week commencing on
Wednesday, the **24TH** day of **April, 2013**.

Given under my hand at Philippi, West Virginia, this **24TH** c

_____, Publisher

Printer's Fee.....

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this **24TH** day of **Apr**

NOTARY PUBLIC

My Commission Expires May 16, 2022.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK K. DAWSON JR.
The Barbour Democrat LLC
113 Church Street
Philippi, West Virginia 26416
My Commission Expires May 16, 2022

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 15th day of April 2013.

CASE NO. 13-0562-W-CN

CITY OF BELINGTON
Application for a certificate of convenience and necessity for a wastewater improvement project, Barbour County

NOTICE OF FILING

On April 15, 2013, the City of Belington (COB) filed a verified application for a Certificate of Convenience and Necessity for wastewater improvement project.

The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

The COB estimates that construction will cost approximately $1,244,875. Funding is by a West Virginia Infrastructure & Jobs Development Council Direct Grant in the amount of $362,187, a West Virginia Infrastructure & Jobs Development Council Direct Loan in the amount of $857,188, with interest at the rate of 2.00% for 40 years, and a West Virginia Water Development Authority Advanced Funding Assistance reimbursable grant in the amount of $17,000.

The COB also seeks changes in its following increased rates, which are in the process of being analyzed by Commission Staff, in accordance with its rate procedures: a going level rate increase generally based on a percentage increase of 3.50% effective for rate classes of customers effective 45 days from passage, and a pro forma rate increase permanently paying an additional percentage increase of 2.40% upon substantial completion of the City of Belington Water Tank Improvements Project. (UDC 2012W-13-61)

SECTION 1: GOING LEVEL TARIFF

APPLICABILITY
Applicable with in the entire territory served.

AVAILABILITY OF SERVICE
Available for general domestic, commercial and industrial and sale for resale water service.

RATES

First 2,000 gallons used per month	$ 19.54	per 1,000 gallons
Next 4,000 gallons used per month	$ 9.24	per 1,000 gallons
Next 4,000 gallons used per month	$ 7.07	per 1,000 gallons
Next 40,000 gallons used per month	$ 3.93	per 1,000 gallons
All Over 50,000 gallons used per month	$ 2.83	per 1,000 gallons

MINIMUM BILL
Minimum monthly bill $21.08

MINIMUM CHARGE

5/8" inch meter	$ 21.08
3/4" inch meter	$ 31.62
1" inch meter	$ 52.70
1 1/4" inch meter	$ 76.94
1 1/2" inch meter	$ 105.40
2" inch meter	$ 168.64
3" inch meter	$ 316.20
4" inch meter	$ 527.00
6" inch meter	$ 1,054.00
8" inch meter	$ 1,686.40

RESALE RATE
$2.83 per 1,000 gallons

RECONNECTION CHARGE
In addition to the requirements that all amounts in arrears, including penalties, be paid prior to reconnection, there shall be a reconnection charge of $25.00 during business hours (7:00 a.m. to 3:30 p.m.) and $50.00 at all other times, to be paid prior to reconnection.

TAP FEE
A tap fee will be charged for any new customers requesting service according to the size of the meter as follows:

1/2 inch, 5/8 x 3/4 inch, and 3/4 x 3/4	$350.00
Over 3/4 inch	Cost to be determined based on time and material involved

DELAYED PAYMENT PENALTY
The above tariff is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delay payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SECURITY DEPOSITS
A refundable security deposit or a sum equal to two twelfths of the average annual usage of the applicant's specific customer class, or $50, whichever is greater, shall be required of domestic commercial and industrial customers prior to being connected or reconnected or reconnected. Said deposit will be refunded with interest (at a rate provided annually by the Public Service Commission) after 12 consecutive months of on-time payments.

LEAK ADJUSTMENT
$2.00 per M gallons, to be used when a bill reflects unusual consumption which can be attributed to a single water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's normal average usage.

RETURNED CHECK CHARGE
A service charge equal to the actual bank fee assessed to the City of a maximum of $30.00 will be imposed upon any customer whose check or payment of charges is returned by the bank due to insufficient funds.

SECTION 2: PRO FORMA TARIFF

APPLICABILITY
Applicable with in the entire territory served.

AVAILABILITY OF SERVICE
Available for general domestic, commercial and industrial and sale for resale water service.

RATES

First 2,000 gallons used per month	$19.11 per 1,000 gallons
Next 4,000 gallons used per month	$ 9.74 per 1,000 gallons

WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Earl Ray Tomblin
Chairman

Kenneth Lowe, Jr.
Public Member

Tom Plymale
Public Member

Ron Justice
Public Member

Louis R. Spadafore
Public Member

Joseph Freeland
Public Member

D. K. "Bud" Carr
Public Member

James W. Ellars, P.E.
Executive Director

Barbara J. Bailey
Administrative Secretary

June 7, 2013

Sharon Bradley, City Clerk
City of Belington
P.O. Box 926
Belington, WV 26250

Re: City of Belington
Water Project 2012W-1315
IJDC Binding Commitment
(Action Required by June 30, 2013)

Dear Ms. Bradley:

The West Virginia Infrastructure and Jobs Development Council (Council) provides this binding offer of an Infrastructure Fund loan and grant for the above-referenced Project.

Funding Commitment:

Below is grant information for this Project:
IJDC Preliminary Funding Assistance (PFA) Grant - $15,000.00 – Utilized
IJDC District 1 Grant - $667,187.00* – Committed

*This amount reflects the inclusion of the $15,000.00 PFA grant, which will not be included in the IJDC grant closing amount.

Below is loan information for this Project:
IJDC District 1 Loan (1%, 40 yrs) - $667,188.00 – Committed

The Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amounts will be established after the Sponsor has received acceptable bids for the Project. The Council will set aside a portion of the Infrastructure Fund to make the Loan and Grant upon the Sponsor's compliance with the program requirements.

If the Sponsor has any questions regarding this commitment, please James W. Ellars at (304) 414-6501 (X107).

Sincerely,

Kenneth Lowe, Jr.

Attachment

1009 Bullitt Street • Charleston, WV 25301-1003 • Phone (304) 414-6501 • Fax (304) 414-0866

www.wvinfrastructure.com

cc: Robert Decrease, BPH *(via e-mail)*
Jeff Ekstrom, Chapman Technical Group *(via e-mail)*
Dan Pauley, RCAP *(via e-mail)*

NOTE: Please acknowledge receipt below, keep one original, and immediately return one copy to the Infrastructure Council.

CITY OF BELINGTON

By: _____

Its: _____

Date: _____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Water Project No. 2012W-1315
City of Belington

SCHEDULE A

A. Approximate Amount:

$667,188	Loan
667,187	Grant
$1,334,375	Total

B. Loan: $667,188

1. Maturity Date: 40 years from date of closing.
2. Interest Rate: 1%
3. Loan Advancement Date(s): Monthly, upon receipt of proper requisition.
4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

C. Grant: $667,187

5. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after advancement of all Loan funding.
6. Special Conditions: None

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

D. Other Funding: None

E. Total Project Cost: $1,334,375

F. Proposed User Rates: Approximately $39.52 / 4000 gallons

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On this 13th day of November, 2013, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of The City of Belington (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the entire original issue of $667,188 principal amount of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), issued as a single, fully registered Bond, numbered AR-1, and dated November 13, 2013.

2. At the time of such receipt of the Bonds upon original issuance, the Bonds had been executed by the Mayor and the Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the sum of $145,209.13, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first above written.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Sheila A. Miller
Its: Authorized Representative

THE CITY OF BELINGTON

By: William R. King
Its: Mayor

062490.00005

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this 13th day of November, 2013, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of The City of Belington Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), in the principal amount of $667,188, dated November 13, 2013 (the "Bonds"), executed by the Mayor and the Clerk of The City of Belington (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on October 17, 2013, and a Supplemental Resolution duly adopted by the Issuer on November 7, 2013 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bond Issue, duly certified by the Clerk of the Issuer;

(3) Executed counterparts of the loan agreement dated November 13, 2013 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council; and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of $145,209.13, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the date first written above.

THE CITY OF BELINGTON

By: William R. Kemp
Its: Mayor

062490.00005

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $667,188

KNOW ALL MEN BY THESE PRESENTS: That on this 13th day of November, 2013, THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of SIX HUNDRED SIXTY-SEVEN THOUSAND ONE HUNDRED EIGHTY-EIGHT DOLLARS ($667,188), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2015, to and including September 1, 2053, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference; with interest of 1.0% per annum payable in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2015, to and including September 1, 2053, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or 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 the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority on behalf of the Council, dated November 13, 2013.

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

called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on October 17, 2013, and a Supplemental Resolution duly adopted by the Issuer on November 7, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S:

(1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS");

(2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BOND, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $350,000 (THE "SERIES 1997 B BONDS");

(3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BOND, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $348,947 (THE "SERIES 2004 A BONDS");

(4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,351,053 (THE "SERIES 2004 B BONDS");

(5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 2004 C BONDS");

(6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED SEPTEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2012 A BONDS");

(7) COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,750,000 (THE "SERIES 2012 B BONDS"); AND

(8) COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2012 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 20, 2012, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2012 C BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2013 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2013 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with, or subordinate to, the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the Costs of the Project and costs of issuance hereof described in the Bond

Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated as of the date first written above.

[SEAL]

William R. King
Mayor

ATTEST:

Susan Bradley
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: November 13, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $145,209.13	11/13/2013	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Bond Debt Service
The City of Belington
IF
$667,188
1% Interest Rate
40 Years from Closing Date

Dated Date 11/13/2013

Delivery Date 11/13/2013

Period Ending	Principal	Coupon	Interest	Debt Service
9/1/2015	3,585	1.000%	1,667.97	5,252.97
12/1/2015	3,594	1.000%	1,659.01	5,253.01
3/1/2016	3,603	1.000%	1,650.02	5,253.02
6/1/2016	3,612	1.000%	1,641.02	5,253.02
9/1/2016	3,621	1.000%	1,631.99	5,252.99
12/1/2016	3,630	1.000%	1,622.93	5,252.93
3/1/2017	3,639	1.000%	1,613.86	5,252.86
6/1/2017	3,648	1.000%	1,604.76	5,252.76
9/1/2017	3,657	1.000%	1,595.64	5,252.64
12/1/2017	3,667	1.000%	1,586.50	5,253.50
3/1/2018	3,676	1.000%	1,577.33	5,253.33
6/1/2018	3,685	1.000%	1,568.14	5,253.14
9/1/2018	3,694	1.000%	1,558.93	5,252.93
12/1/2018	3,703	1.000%	1,549.69	5,252.69
3/1/2019	3,713	1.000%	1,540.44	5,253.44
6/1/2019	3,722	1.000%	1,531.15	5,253.15
9/1/2019	3,731	1.000%	1,521.85	5,252.85
12/1/2019	3,741	1.000%	1,512.52	5,253.52
3/1/2020	3,750	1.000%	1,503.17	5,253.17
6/1/2020	3,759	1.000%	1,493.79	5,252.79
9/1/2020	3,769	1.000%	1,484.40	5,253.40
12/1/2020	3,778	1.000%	1,474.97	5,252.97
3/1/2021	3,788	1.000%	1,465.53	5,253.53
6/1/2021	3,797	1.000%	1,456.06	5,253.06
9/1/2021	3,807	1.000%	1,446.57	5,253.57
12/1/2021	3,816	1.000%	1,437.05	5,253.05
3/1/2022	3,826	1.000%	1,427.51	5,253.51
6/1/2022	3,835	1.000%	1,417.94	5,252.94
9/1/2022	3,845	1.000%	1,408.36	5,253.36
12/1/2022	3,854	1.000%	1,398.74	5,252.74
3/1/2023	3,864	1.000%	1,389.11	5,253.11
6/1/2023	3,874	1.000%	1,379.45	5,253.45
9/1/2023	3,883	1.000%	1,369.76	5,252.76
12/1/2023	3,893	1.000%	1,360.06	5,253.06
3/1/2024	3,903	1.000%	1,350.32	5,253.32
6/1/2024	3,913	1.000%	1,340.57	5,253.57
9/1/2024	3,922	1.000%	1,330.78	5,252.78
12/1/2024	3,932	1.000%	1,320.98	5,252.98
3/1/2025	3,942	1.000%	1,311.15	5,253.15
6/1/2025	3,952	1.000%	1,301.29	5,253.29
9/1/2025	3,962	1.000%	1,291.41	5,253.41
12/1/2025	3,972	1.000%	1,281.51	5,253.51
3/1/2026	3,982	1.000%	1,271.58	5,253.58

Bond Debt Service
The City of Belington
IF
$667,188
1% Interest Rate
40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
6/1/2026	3,991	1.000%	1,261.62	5,252.62
9/1/2026	4,001	1.000%	1,251.65	5,252.65
12/1/2026	4,011	1.000%	1,241.64	5,252.64
3/1/2027	4,021	1.000%	1,231.62	5,252.62
6/1/2027	4,032	1.000%	1,221.56	5,253.56
9/1/2027	4,042	1.000%	1,211.48	5,253.48
12/1/2027	4,052	1.000%	1,201.38	5,253.38
3/1/2028	4,062	1.000%	1,191.25	5,253.25
6/1/2028	4,072	1.000%	1,181.09	5,253.09
9/1/2028	4,082	1.000%	1,170.91	5,252.91
12/1/2028	4,092	1.000%	1,160.71	5,252.71
3/1/2029	4,103	1.000%	1,150.48	5,253.48
6/1/2029	4,113	1.000%	1,140.22	5,253.22
9/1/2029	4,123	1.000%	1,129.94	5,252.94
12/1/2029	4,133	1.000%	1,119.63	5,252.63
3/1/2030	4,144	1.000%	1,109.30	5,253.30
6/1/2030	4,154	1.000%	1,098.94	5,252.94
9/1/2030	4,165	1.000%	1,088.55	5,253.55
12/1/2030	4,175	1.000%	1,078.14	5,253.14
3/1/2031	4,185	1.000%	1,067.70	5,252.70
6/1/2031	4,196	1.000%	1,057.24	5,253.24
9/1/2031	4,206	1.000%	1,046.75	5,252.75
12/1/2031	4,217	1.000%	1,036.24	5,253.24
3/1/2032	4,227	1.000%	1,025.69	5,252.69
6/1/2032	4,238	1.000%	1,015.13	5,253.13
9/1/2032	4,249	1.000%	1,004.53	5,253.53
12/1/2032	4,259	1.000%	993.91	5,252.91
3/1/2033	4,270	1.000%	983.26	5,253.26
6/1/2033	4,280	1.000%	972.59	5,252.59
9/1/2033	4,291	1.000%	961.89	5,252.89
12/1/2033	4,302	1.000%	951.16	5,253.16
3/1/2034	4,313	1.000%	940.40	5,253.40
6/1/2034	4,323	1.000%	929.62	5,252.62
9/1/2034	4,334	1.000%	918.81	5,252.81
12/1/2034	4,345	1.000%	907.98	5,252.98
3/1/2035	4,356	1.000%	897.12	5,253.12
6/1/2035	4,367	1.000%	886.23	5,253.23
9/1/2035	4,378	1.000%	875.31	5,253.31
12/1/2035	4,389	1.000%	864.36	5,253.36
3/1/2036	4,400	1.000%	853.39	5,253.39
6/1/2036	4,411	1.000%	842.39	5,253.39
9/1/2036	4,422	1.000%	831.36	5,253.36
12/1/2036	4,433	1.000%	820.31	5,253.31
3/1/2037	4,444	1.000%	809.23	5,253.23
6/1/2037	4,455	1.000%	798.12	5,253.12
9/1/2037	4,466	1.000%	786.98	5,252.98
12/1/2037	4,477	1.000%	775.81	5,252.81

Bond Debt Service
The City of Belington
IF
$667,188
1% Interest Rate
40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
3/1/2038	4,488	1.000%	764.62	5,252.62
6/1/2038	4,500	1.000%	753.40	5,253.40
9/1/2038	4,511	1.000%	742.15	5,253.15
12/1/2038	4,522	1.000%	730.87	5,252.87
3/1/2039	4,534	1.000%	719.57	5,253.57
6/1/2039	4,545	1.000%	708.23	5,253.23
9/1/2039	4,556	1.000%	696.87	5,252.87
12/1/2039	4,568	1.000%	685.48	5,253.48
3/1/2040	4,579	1.000%	674.06	5,253.06
6/1/2040	4,590	1.000%	662.61	5,252.61
9/1/2040	4,602	1.000%	651.14	5,253.14
12/1/2040	4,613	1.000%	639.63	5,252.63
3/1/2041	4,625	1.000%	628.10	5,253.10
6/1/2041	4,637	1.000%	616.54	5,253.54
9/1/2041	4,648	1.000%	604.95	5,252.95
12/1/2041	4,660	1.000%	593.33	5,253.33
3/1/2042	4,671	1.000%	581.68	5,252.68
6/1/2042	4,683	1.000%	570.00	5,253.00
9/1/2042	4,695	1.000%	558.29	5,253.29
12/1/2042	4,707	1.000%	546.55	5,253.55
3/1/2043	4,718	1.000%	534.79	5,252.79
6/1/2043	4,730	1.000%	522.99	5,252.99
9/1/2043	4,742	1.000%	511.17	5,253.17
12/1/2043	4,754	1.000%	499.31	5,253.31
3/1/2044	4,766	1.000%	487.43	5,253.43
6/1/2044	4,778	1.000%	475.51	5,253.51
9/1/2044	4,790	1.000%	463.57	5,253.57
12/1/2044	4,801	1.000%	451.59	5,252.59
3/1/2045	4,813	1.000%	439.59	5,252.59
6/1/2045	4,826	1.000%	427.56	5,253.56
9/1/2045	4,838	1.000%	415.49	5,253.49
12/1/2045	4,850	1.000%	403.40	5,253.40
3/1/2046	4,862	1.000%	391.27	5,253.27
6/1/2046	4,874	1.000%	379.12	5,253.12
9/1/2046	4,886	1.000%	366.93	5,252.93
12/1/2046	4,898	1.000%	354.72	5,252.72
3/1/2047	4,911	1.000%	342.47	5,253.47
6/1/2047	4,923	1.000%	330.19	5,253.19
9/1/2047	4,935	1.000%	317.89	5,252.89
12/1/2047	4,948	1.000%	305.55	5,253.55
3/1/2048	4,960	1.000%	293.18	5,253.18
6/1/2048	4,972	1.000%	280.78	5,252.78
9/1/2048	4,985	1.000%	268.35	5,253.35
12/1/2048	4,997	1.000%	255.89	5,252.89
3/1/2049	5,010	1.000%	243.39	5,253.39
6/1/2049	5,022	1.000%	230.87	5,252.87
9/1/2049	5,035	1.000%	218.31	5,253.31

Bond Debt Service
The City of Belington
IF
$667,188
1% Interest Rate
40 Years from Closing Date

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2049	5,047	1.000%	205.73	5,252.73
3/1/2050	5,060	1.000%	193.11	5,253.11
6/1/2050	5,073	1.000%	180.46	5,253.46
9/1/2050	5,085	1.000%	167.78	5,252.78
12/1/2050	5,098	1.000%	155.06	5,253.06
3/1/2051	5,111	1.000%	142.32	5,253.32
6/1/2051	5,124	1.000%	129.54	5,253.54
9/1/2051	5,136	1.000%	116.73	5,252.73
12/1/2051	5,149	1.000%	103.89	5,252.89
3/1/2052	5,162	1.000%	91.02	5,253.02
6/1/2052	5,175	1.000%	78.11	5,253.11
9/1/2052	5,188	1.000%	65.18	5,253.18
12/1/2052	5,201	1.000%	52.21	5,253.21
3/1/2053	5,214	1.000%	39.20	5,253.20
6/1/2053	5,227	1.000%	26.17	5,253.17
9/1/2053	5,240	1.000%	13.10	5,253.10
	667,188		136,538.42	803,726.42

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

November 13, 2013

The City of Belington
Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

The City of Belington
Belington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Belington (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $667,188 Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), dated November 13, 2013 (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated November 13, 2013, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing interest at the rate of 1.0% per annum, with principal and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2015 to and including September 1, 2053, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the water portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on October 17, 2013, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 7, 2013 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (1) Combined Waterworks and Sewerage System Revenue Bond, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original aggregate principal amount of $475,000 (the "Series 1997 A Bonds"); (2) Combined Waterworks and Sewerage System Design Revenue Bond, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, issued in the original aggregate principal amount of $350,000 (the "Series 1997 B Bonds"); (3) Combined Waterworks and Sewerage System Refunding Revenue Bond, Series 2004 A (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $348,947 (the "Series 2004 A Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $1,351,053 (the "Series 2004 B Bonds"); (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), dated July 15, 2004, issued in the original aggregate principal amount of $1,000,000 (the "Series 2004 C Bonds"); (6) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated September 20, 2012, issued in the original aggregate principal amount of $1,250,000 (the "Series 2012 A Bonds"); (7) Combined Waterworks and Sewerage System Bonds, Series 2012 B (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,750,000 (the "Series 2012 B Bonds"); and (8) Combined Waterworks and Sewerage System Bonds, Series 2012 C (United States Department of Agriculture), dated September

20, 2012, issued in the original aggregate principal amount of $1,100,000 (the "Series 2012 C Bonds"), (collectively, the "Prior Bonds"), all in accordance with the terms of the Bonds and the Bond Legislation.

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

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

062490.00005

LAW OFFICE

Thomas R. Michael
ATTORNEY AT LAW
P.O. BOX 250
1263 JOHNSTOWN ROAD
LOST CREEK, WEST VIRGINIA, 26385-0250

PHONE 304-745-5904 FAX 304-745-5907 EMAIL tom_michael@yahoo.com

November 13, 2013

The City of Belington
Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

The City of Belington
Belington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to The City of Belington in Barbour County, West Virginia (the "Issuer"), in connection with the above-captioned bond issue. As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement dated November 13, 2013, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a Bond Ordinance duly enacted by the Issuer October 17, 2013, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 7, 2013 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, Clerk and members of the council

of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

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

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

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

5. The Issuer has received all permits, licenses, approvals, exemptions, consents, registrations, certificates and authorizations required by law for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Bureau for Public Health, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges. The Issuer has duly enacted a water rate ordinance on May 2, 2013 setting forth the respective rates and charges for the services of the water portion of the System. The Issuer has duly enacted a sewer rate ordinance on February 18, 2010 which ordinance was amended by Recommended Decision entered on July 1, 2010 by the Public Service Commission of West Virginia in Case No. 10-0373-S-MA setting forth the respective rates and charges for the services of the sewerage portion of the System. The time for appeal of the Commission Order has expired prior to the date hereof. Such Order is in full force and effect.

6. The Issuer has received the Recommended Decision dated July 23, 2013 which became Final Order on August 12, 2013 in Case No. 13-0525-W-CN of the Public Service Commission of West Virginia, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof. Such Order is in full force and effect.

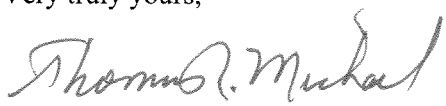
7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

8. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug-free workplace plan, and the contracts contain language that complies with the Drug-Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. I have also ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (i) are in

compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,



THOMAS R. MICHAEL

062490.00005

LAW OFFICE

Thomas R. Michael
ATTORNEY AT LAW
P.O. BOX 250
LOST CREEK, WEST VIRGINIA, 26385-0250

PHONE 304-745-5904 FAX 304-745-5907 EMAIL tom_michael@yahoo.com

November 7, 2013

Jim Ellars, Executive Director
West Virginia Infrastructure & Jobs Development Council
180 Association Drive
Charleston, WV 25311

Chris E. Jarrett, Executive Director
West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1217

FINAL NARRATIVE OPINION

Re: City of Belington
Water System Improvement Project
IJDC # 2012W-1315.

Dear Mr. Ellars and Mr. Jarrett:

The law firm of Thomas R. Michael, Attorney at Law, of the Town of Lost Creek, Harrison County, West Virginia, is the attorney for City of Belington, a West Virginia municipality. This letter refers to the City's Water System Improvement Project. I have reviewed certain project maps prepared by Chapman Technical Group, setting forth the necessary lands, for the proposed water system improvement project.

Based upon my review of said project maps, certain records in the office of the Clerk of the County Commission of Barbour County, West Virginia, and the documents hereinafter mentioned, I am of the opinion that:

1. The City of Belington is a duly created and existing municipality and political subdivision of the State of West Virginia and a public corporation possessed with all of the powers and authority granted to municipalities under the laws of the State of West Virginia, and as such, the City of Belington has the legal power and authority to construct, operate, and maintain the water system described in the report of Chapman Technical Group.

2. The City of Belington has obtained approval for all necessary permits and approvals for the

construction of the aforementioned water system improvement project, including a final, non-appealable, certificate of convenience and necessity from the West Virginia Public Service Commission (Case No. 13-0525-W-CN).

3. The City of Belington owns the necessary lands needed to construct, operate and maintain the water system. No new easements are required.

4. Subject to the foregoing, the completion of all requirements set forth in the letter of conditions, and upon proper closing, you shall have a statutory lien upon the municipal properties referred to herein.

Yours truly,

Thomas R. Michael

cc: William King, Mayor, City of Belington
Jeff Eckstrom, Chapman Technical Group

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

On this 13th day of November, 2013, we, the undersigned MAYOR and CLERK of The City of Belington in Barbour County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with The City of Belington Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), No. AR-1, fully registered, dated November 13, 2013, in the principal amount of $667,188 (the "Bonds" or the "Series 2013 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Bond Ordinance of the Issuer duly enacted October 17, 2013, and the Supplemental Resolution duly adopted November 7, 2013 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds,

the acquisition and construction of the Project, the operation of the System, the receipt of the Net Revenues or any grants, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of the Net Revenues as security for the Bonds.

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

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement entered into by and between the Issuer and the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Loan Agreement") and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are Outstanding obligations of the Issuer which will rank on a parity with the Series 2013 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (1) Combined Waterworks and Sewerage System Revenue Bond, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original aggregate principal amount of $475,000 (the "Series 1997 A Bonds"); (2) Combined Waterworks and Sewerage System Design Revenue Bond, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, issued in the original aggregate principal amount of $350,000 (the "Series 1997 B Bonds"); (3) Combined Waterworks and Sewerage System Refunding Revenue Bond, Series 2004 A (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $348,947 (the "Series 2004 A Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $1,351,053 (the "Series 2004 B Bonds"); (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), dated July 15, 2004, issued in the original aggregate principal amount of $1,000,000 (the "Series 2004 C Bonds"); (6) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated September 20, 2012, issued in the original aggregate principal amount of $1,250,000 (the "Series 2012 A Bonds"); (7) Combined Waterworks and Sewerage System Bonds, Series 2012 B (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,750,000 (the "Series 2012 B Bonds"); and (8) Combined Waterworks and Sewerage System Bonds, Series 2012 C (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,100,000 (the "Series 2012 C Bonds"), (collectively, the "Prior Bonds").

The Series 2013 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of

the Series 2013 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the terms and provisions of the Prior Ordinances and no default exists with respect to the Prior Bonds.

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

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Council Members

Water Rate Ordinance

Sewer Rate Ordinance

Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Supplemental Resolution.

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

Bureau for Public Health Permit

Consent of WDA to Issuance of Series 2013 A Bonds

Consent of USDA to Issuance of Series 2013 A Bonds

Prior Bond Ordinances

West Virginia Infrastructure Fund Grant Agreement

Evidence of Insurance

Evidence of Compliance with West Virginia Jobs Act

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Belington." The Issuer is a municipal corporation in Barbour County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor, a Clerk and 8 councilmembers, all duly elected, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
William King, Mayor	May 16, 2013	March 30, 2015
Max Grove, Councilmember	April 1, 2011	March 30, 2015
Sonny Ray Moore, Councilmember	April 1, 2011	March 30, 2015
Richard Cox, Councilmember	April 1, 2011	March 30, 2015
Thomas Yocum, Councilmember	April 1, 2011	March 30, 2015
James Lawrence, Councilmember	April 1, 2013	March 30, 2017
Debra Hutchinson, Councilmember	April 1, 2013	March 30, 2017
Marshall Reed, Councilmember	April 1, 2013	March 30, 2017
vacant		

The duly appointed Clerk is Susan Bradley and duly appointed acting Counsel to the Issuer is Thomas R. Michael, Esquire, of Lost Creek, West Virginia.

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

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article

1D, Chapter 21 of the West Virginia Code. All insurance for the System required by the Bond Legislation is in full force and effect.

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

11. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain workers' compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Bond Legislation. All insurances for the System required by the Bond Legislation are in full force and effect.

12. VERIFICATION OF SCHEDULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated Costs of the Project, the sources of funds available to pay the Costs of the Project and the costs of financing of the Bonds.

13. RATES: The Issuer has duly enacted a water rate ordinance on May 2, 2013 setting forth the respective rates and charges for the services of the water portion of the System. The Issuer has duly enacted a sewer rate ordinance on February 18, 2010 which ordinance was amended by Recommended Decision entered on July 1, 2010 by the Public Service Commission of West Virginia in Case No. 10-0373-S-MA setting forth the respective rates and charges for the services of the sewerage portion of the System. The time for appeal of the Commission Order has expired prior to the date hereof. Such Order is in full force and effect.

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

15. BOND PROCEEDS: On the date hereof, the Issuer received $145,209.13 from the Authority and the Council, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *Barbour*

Democrat, a newspaper published and of general circulation in The City of Belington, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on the 17th day of October, 2013, at 7:30 p.m., at the City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision dated July 23, 2013 which became Final Order on August 12, 2013 in Case No. 13-0525-W-CN of the Public Service Commission of West Virginia, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof. Such Order is in full force and effect.

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

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

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

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

22. GRANTS: On the date hereof, the West Virginia Infrastructure & Jobs Development Council grants in the amounts of $15,000 and $652,187 are in full force and effect.

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

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official seal of THE CITY OF BELINGTON as of the date first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
William P. King	Mayor
Susan Bradley	Clerk
Thomas L. Michael	Counsel to Issuer

062490.00005

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

On this 13th day of November, 2013, I, Jeffery D. Ekstrom, Registered Professional Engineer, West Virginia License No. 13101, of Chapman Technical Group, Ltd., Consulting Engineers, in St. Albans, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the water portion of the existing public combined waterworks and sewerage system (the "System") of The City of Belington (the "Issuer"), to be constructed primarily in Barbour County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Series 2013 A Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on October 17, 2013, and the Supplemental Resolution adopted by the Issuer on November 7, 2013, and the loan agreement, dated November 13, 2013 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council").

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the schematic design for the Project began before July 1, 2012; (iii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iv) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing described in Schedule B, attached hereto as Exhibit A and the Issuer's counsel, Thomas R. Michael, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (v) the successful bidders received any and all addenda to the original bid documents; (vi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vii) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (viii) the successful bids include prices for every item on such bid forms; (ix) the uniform bid procedures were followed; (x) the Issuer has obtained all applicable permits required by the laws of the State of West Virginia and the United States necessary for

the acquisition and construction of the Project and the operation of the System; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

4. The Project will serve no new customers.

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal as of the date first written above.

[SEAL]

CHAPMAN TECHNICAL GROUP, LTD.

Jeffery D. Ekstrom, P.E.
West Virginia License No. 13101

062490.00005

SCHEDULE B

Belington 2012W-1315

10/22/2013

COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project		Total	IJDC Funding Assistance Grant	IJDC Loan	IJDC Grant
1.	Construction	928,386.00	0.00	347,688.00	580,698.00
	Contingency	71,489.00	0.00	0.00	71,489.00
2.	Technical Services (Chapman)				
	a. Planning	25,000.00	15,000.00	10,000.00	0.00
	b. Design	78,000.00	0.00	78,000.00	0.00
	Bidding	5,000.00	0.00	5,000.00	0.00
	c. Resident Project Rep.	105,000.00	0.00	105,000.00	0.00
	Engineering During Const	25,000.00	0.00	25,000.00	0.00
	d. Special Services	24,000.00	0.00	24,000.00	0.00
3.	Legal (Tom Michael)	15,000.00	0.00	15,000.00	0.00
4.	Accounting (Ralph Laton)	10,000.00	0.00	10,000.00	0.00
5.	Administrative	20,000.00	0.00	20,000.00	0.00
6	Permits	2,000.00	0.00	2,000.00	0.00
7.	Sites and Other Lands	0.00	0.00	0.00	0.00
8.	Project Contingency	0.00	0.00	0.00	0.00
9	Total of Lines 1 through 8	1,308,875.00	15,000.00	641,688.00	652,187.00
B. Cost of Financing					
10	Reserve	0.00	0.00	0.00	0.00
11	Bond Counsel	25,000.00	0.00	25,000.00	0.00
12	Bank Registrar Fee	500.00	0.00	500.00	0.00
13	Total Cost of Financing	25,500.00	0.00	25,500.00	0.00
14	**Total Project Cost (line 9 plus line 13)**	**1,334,375.00**	**15,000.00**	**667,188.00**	**652,187.00**
C. Sources of Funds					
15	Federal Grants	0.00	0.00	0.00	0.00
16	State Grant (IJDC)	15,000.00	15,000.00	0.00	0.00
17	State Grant (IJDC)	652,187.00	0.00	0.00	652,187.00
18	Total Grants	667,187.00	15,000.00	0.00	652,187.00
19	Size of Bond Issue	667,188.00	0.00	667,188.00	0.00

William R. King
Belington

11/13/13
Date

Chapman Technical Group

10/25/13
Date

Ralph W. Laton
Certified Public Accountant
Post Office Box 340 - Hurricane, West Virginia 25526 - (304) 419-0462

November 13, 2013

The City of Belington
Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

The City of Belington
Belington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council
Charleston, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges as set forth in the sewer rate ordinance of The City of Belington (the "Issuer") enacted February 18, 2010 as amended by Recommended Decision entered on July 1, 2010 in Case No. 10-0373-S-MA of the Public Service Commission of West Virginia, and the water rate ordinance of the Issuer enacted May 2, 2013 and the projected operating expenses and the anticipated customer usage as furnished to me by Chapman Technical Group, Ltd., Consulting Engineers, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the combined waterworks and sewerage system of the Issuer, will pay all operating expenses and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), issued in the original aggregate principal amount of $667,188 (the "Series 2013 A Bonds"), and all other obligations secured by or payable from the revenues of the System, including the Issuer's:

(1) Combined Waterworks and Sewerage System Revenue Bond, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original aggregate principal amount of $475,000 (the "Series 1997 A Bonds");

(2) Combined Waterworks and Sewerage System Design Revenue Bond, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, issued in the original aggregate principal amount of $350,000 (the "Series 1997 B Bonds");

(3) Combined Waterworks and Sewerage System Refunding Revenue Bond, Series 2004 A (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $348,947 (the "Series 2004 A Bonds");

(4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $1,351,053 (the "Series 2004 B Bonds");

(5) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), dated July 15, 2004, issued in the original aggregate principal amount of $1,000,000 (the "Series 2004 C Bonds");

(6) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated September 20, 2012, issued in the original aggregate principal amount of $1,250,000 (the "Series 2012 A Bonds");

(7) Combined Waterworks and Sewerage System Bonds, Series 2012 B (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,750,000 (the "Series 2012 B Bonds"); and

(8) Combined Waterworks and Sewerage System Bonds, Series 2012 C (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,100,000 (the "Series 2012 C Bonds"), (collectively, the "Prior Bonds").

It is my further opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Series 2013 A Bonds are issued will be at least 115% of the average annual debt service requirements on the Series 2013 A Bonds and the Prior Bonds, and (ii) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2013 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2013 A Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2013 A Bonds and the Prior Bonds.

In addition, the respective reserve accounts are funded in accordance with the Prior Ordinances.

Sincerely,

Ralph W. Laton

RALPH W. LATON, CPA

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

On this 13th day of November, 2013, the undersigned Mayor of The City of Belington in Barbour County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $667,188 Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated November 13, 2013 (the "Bonds" or the "Series 2013 A Bonds"), hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on October 17, 2013 and a Supplemental Resolution of the Issuer adopted by the Council of the Issuer on November 7, 2013 (collectively, the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on November 13, 2013, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2013 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2013 A Bonds were sold on November 13, 2013, to the Authority, pursuant to a Loan Agreement dated November 13, 2013, by and between the Issuer and the Authority on behalf of the Council, for an aggregate purchase price of $667,188 (100% of par), at which time, the Issuer received $145,209.13 from the Authority and the Council, being the first advance of the principal amount of the Series 2013 A Bonds. No accrued interest has been or will be paid on the Series 2013 A Bonds. The balance of the principal amount of the Series 2013 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2013 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the water portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"), and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2013 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of Costs of the Project on or before June 1, 2015. The acquisition and construction of the Project is expected to be completed by December 1, 2014.

8. The total Cost of the Project is estimated at $1,334,375. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2013 A Bonds	$667,188
West Virginia Infrastructure Fund Grants	$667,187
Total Sources	$1,334,375
USES	
Costs of Project	$1,308,875
Costs of Issuance	$25,500
Total Uses	$1,334,375

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2013 A Bonds:

(1) Revenue Fund (created by Prior Ordinance);

(2) Renewal and Replacement Fund (created by Prior Ordinance);

(3) Series 2013 A Bonds Sinking Fund;

(4) Series 2013 A Bonds Reserve Account; and

(5) Series 2013 A Bonds Construction Trust Fund.

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

(1) Series 2013 A Bond proceeds in the amount of $-0- will be deposited in the Series 2013 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2013 A Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2013 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2013 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2013 A Bonds will be deposited in the Series 2013 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of Costs of the Project, including costs of issuance of the Series 2013 A Bonds and related costs.

11. Moneys held in the Series 2013 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2013 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2013 A Bonds Sinking Fund and Series 2013 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2013 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

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

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

14. With the exception of the amount deposited in the Series 2013 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within eighteen (18) months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2013 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2013 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2013 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2013 A Bonds Reserve Account and the Series 2013 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay Costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Series 2013 A Bonds, (b) are to be sold pursuant to a common plan of financing together with the Series 2013 A Bonds, and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Series 2013 A Bonds.

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

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Series 2013 A Bonds, rebates and rebate calculations.

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

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WITNESS my signature as of the date first written above.

THE CITY OF BELINGTON

By: William P. King
Its: Mayor

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The session shall then stand adjourned until the fourth Tuesday in August, at which time it shall re-convene and proceed in all respects as provided in section two of chapter twenty-eight-*a*, Barnes code of West Virginia, one thousand nine hundred and twenty-three.

After having entered the said statement, as finally approved in its book of record of proceedings, the council shall thereupon levy as many cents, not to exceed fifty, on each one hundred dollars assessed valuation of the taxable property in the municipality, according to the last assessment thereof, as will produce the amount shown by the said statement to be necessary for municipal purposes; *provided*, that fifteen cents out of the said annual levy of not to exceed fifty cents, as aforesaid, on each one hundred dollars assessed valuation of the taxable property of the said municipality, shall be set apart annually by the common council of the City of St. Marys and applied to the payment of principal and interest of the outstanding indebtedness of said municipality not bonded, funded or payment otherwise provided for, until the whole of said indebtedness and interest thereon have been fully paid or the common council of the City of St. Marys has provided other means for the payment thereof. The amount of said indebtedness to be determined as shown by the records of the City of St. Marys on the fifteenth day of April, one thousand nine hundred and twenty-seven; a copy of the order laying levies, duly certified by the clerk, recorder or other recording officer, shall be immediately forwarded to the state tax commissioner.

Sec. 28. The council of said city is hereby empowered and authorized at any time that the necessity arises, or the condition of the municipal affairs of said city are such that a special levy shall be required for the purpose, to make such other further and additional levies in the manner now prescribed by section nine of chapter twenty-eight-*a*, Barnes' code, one thousand nine hundred and twenty-three, or such amendments thereof as may hereafter be made relating to the laying of debt and additional levies.

Sec. 29. Said section nine of chapter twenty-eight-*a*, Barnes' code of West Virginia, one thousand nine hundred and twenty-three, and any amendments thereto hereafter made relating to

additional and debt levies by municipal corporations shall govern the council of the said City of St. Marys in the laying thereof.

CHAPTER 14

(House Bill No. 214—Mr. Street.)

AN ACT to amend, revise, re-enact and consolidate into one Act, an act of the legislature of West Virginia, known as chapter one, acts of the legislature of West Virginia of one thousand nine hundred and five, entitled "An act to create the municipal corporation of 'The City of Belington,' in the county of Barbour, to grant a charter thereto, and to annul the charter of the town of Belington;" chapter one of the acts of the legislature of West Virginia, of one thousand nine hundred and nine, as amended and re-enacted by chapter one of the acts of said legislature of West Virginia, of one thousand nine hundred twenty-one, and all other acts of said legislature, passed since the passage of said act of one thousand nine hundred and five, and which form part of the present charter of the city of Belington.

[Passed January 26, 1927. Effective from passage. Approved by the Governor.]

Sec.
1. City of Belington created.
2. Boundaries.
3. City wards.
4. Mayor, clerk and council; salaries.
5. Council; powers of. (See also Sec. 29.)
6. Appointive officers and employees.
7. Eligibility of mayor and councilmen.
8. Clerk; appointment, salary, duties, bond, removal.
9. Mayor; election, term.
10. Councilmen; election, term, residence, vacancy.
11. Voters; who are.
12. Elections; manner of holding.
13. Tie vote at elections.
14. Contest of election.
15. Vacancy; how filled. (See also Sec. 20.)
16. Offices; additional may be created and filled; removals; police.
17. Bonds and obligations; proceedings thereon.
18. Oaths of officers.
19. Tenure of office.
20. Officer found ineligible or failing to qualify.
21. Mayor; powers and duties.
22. Clerk; powers and duties.
23. Council; quorum of.
24. Records, minutes and ordinances.
25. Minutes; approval. Record vote.
26. Mayor; may vote; also cast tie in council.
27. Council meetings.
28. Money due city, to whom paid. (See also Sec. 16.)
29. Council; general powers of.
30. Docket; mayor to keep.
31. Annual levies and financial statements.
32. Annual assessments.
33. Assessment records.
34. Liens for taxes and assessments.
35. Taxes, collection, disbursement and reports. (See also Secs. 16 and 28.)
36. Licenses; how obtained.
37. Licenses; for what required.
38. Condemnation of real estate.
39. Bonds; council may issue.
40. Debt; council not to incur, personal liability.
41. Streets, roads and bridges.
42. Present officers, ordinances and obligations.
43. Officers first elected hereunder.
44. Inconsistent ordinances abrogated.
45. Conflicting acts repealed.

Be it enacted by the Legislature of West Virginia:

THE CITY OF BELINGTON

Section 1. That the inhabitants of that portion of Barbour county in the state of West Virginia, included in the boundaries described in section two of this act, be and they are hereby created a municipal corporation by the name of "The City of Belington," by which name they shall have perpetual succession and a common seal, and by which means they may sue and be sued, plead and be impleaded, contract and be contracted with, and purchase, otherwise acquire and hold real estate and personal property needed in the discharge of the functions of government conferred by this charter.

Boundaries.

Sec. 2. The corporate boundaries of the said city shall be as follows, that is to say:

Beginning at a red oak on the west bank of the Tygart's Valley river, a corner to the lands of Joseph Teter's heirs and Valley Coal and Coke Company, and running south twenty-five degrees thirty minutes east fifty-seven and seventy-five hundredths perches to a stake on the Buckhannon road, corner to the Valley Coal and Coke Company, thence with the said road south thirty-five degrees thirty minutes west fifty-one and fifteen hundredths perches to a white oak, thence south sixty-six degrees west twenty-one perches to a stake, thence south fifty-six degrees west twenty-eight and twenty-five hundredths perches to three chestnuts corner to Laura Hathaway and the Tygart's Valley Mineral and Oil Company, thence south forty-five degrees thirty minutes east eighteen perches with said line, thence south fifty-six degrees thirty minutes east four and fifty hundredths perches with said line, thence north forty-four degrees thirty minutes east nine and twenty-five hundredths poles with said line, thence south thirty-seven degrees east twenty-five and twenty-five hundredths perches with said line, thence south thirty degrees forty-five minutes east twelve perches with said line to a white oak, thence south five degrees east ten and fifty hundredths perches with said line to a beech, thence south fourteen degrees thirty minutes west twenty-five and seventy-five hundredths perches

with said line to a sassafras, thence south forty degrees west seven and fifty hundredths perches with said line to a stake with locust pointers, corner to heirs of Jesse Teter, thence with their line south eighty-two degrees fifteen minutes east ten perches to a beech and birch, corner to Charles Keiser, thence with his lines south seven degrees west forty-eight perches to a white oak stump on the bank of Big run, corner to the heirs of Jesse Teter and said Keiser, thence with their line south seventy-six degrees fifteen minutes east one hundred and fifty perches to a stone on the east side of the county road, corner to the heirs of Jesse Teter, thence with their line south twenty-three degrees west fifty-eight perches to a stone in the river opposite the old Rosenberger mill site, corner to the heirs of Jesse Teter and H. A. Monahan, thence up the Tygart's Valley river with its meanderings at the water's edge, south fifty-two degrees thirty-one minutes west twenty-nine and sixty hundredths perches, thence south five degrees thirty minutes east twenty-six and seventy-six hundredths perches, thence south thirty-two degrees east thirty-six and sixty hundredths perches thence south forty-seven degrees thirty minutes east thirteen and eighty-hundredths perches, thence south eighty-one degrees east twenty-one and eighty-one hundredths perches, thence north eighty degrees east twenty-eight and thirty-two hundredths perches, passing the south end of the Roaring Creek and Belington Railroad bridge, thence south eighty degrees thirty minutes east nine and thirty-two hundredths perches, thence south thirty-three degrees thirty minutes east nine and sixty-eight hundredths perches, thence crossing the said river, north eighty-seven degrees fifteen minutes east thirteen perches to a stake at the culvert on the east side of the said river on the West Virginia Central and Pittsburgh Railway; thence south forty-nine degrees fifteen minutes east thirty-eight and seventy-four hundredths perches to a stake in Hillyard's field a line of the Belington Industrial Company, thence south eighty-eight degrees thirty minutes east forty seven and eighty-eight hundredths perches to a stake, thence south eighty-nine degrees forty minutes east twenty-four and twenty-four hundredths perches to a stake, thence north seventy-nine degrees thirty minutes east one hundred and ten perches to a stake

at the old road, corner to Luther and John Hillyard on the old road crossing the mountain thence with said road north eighteen degrees forty-five minutes west twenty-eight and eighteen hundredths perches to a stake, corner to G. J. Stalnaker and W. S. Phares' place thence with the said Stalnaker and Phares' line, north fifty-five degrees thirty minutes east seventy-one perches to a stake at the Fairmont and Beverly pike, corner to the said Phares and Stalnaker and W. S. Shurtleff, thence with said pike north seventeen degrees thirty minutes west seventy-five perches, thence north three degrees east thirty-three perches, thence north twenty-five degrees thirty-minutes west twenty-eight perches, thence north forty-four degrees thirty minutes west seventeen perches, thence north twenty-five degrees, thirty minutes west twenty perches to corner of J. W. Ward and J. W. Shurtleff, thence leaving the pike and running with said Ward's line, north fourteen degrees thirty minutes east thirty-nine fourteen hundredths perches to a stake, corner to Shurtleff and Ward, thence with said Shurtleff's line north seventy-two degrees east thirty-nine perches to a locust, corner to Shurtleff, thence north forty-two degrees east ninety-seven perches to a stake, corner to Shurtleff and T. T. Elliott, thence south ten degrees west six perches to a stone, corner of Shurtleff and T. T. Elliott, thence north fifty-two degrees east sixty-seven perches to a white oak, corner to Serpell and Elliott, thence forty-three degrees thirty minutes west eighteen and eighty hundredths perches to a gum, corner to Dunham and Elliott, thence with Dunham and Elliott's line north fifty-six degrees thirty minutes west one hundred and twenty perches to a white oak corner to Dunham, thence north sixty-six degrees west fourteen and twenty-eight hundredths perches to a stake, thence north six degrees east five perches to a stake, at the Morgantown pike, thence north forty-seven degrees west seventy-one and forty-five hundredths perches to two black walnuts in Martha Davis' field, thence north sixty-three degrees west ninety-nine and sixty hundredths perches to a chestnut in J. W. Thornhill's field, thence south eighty-three degrees west eighty-four and thirty-six hundredths perches to a walnut in J. W. Thornhill's field, thence south eleven degrees west twenty-four and twenty-four hundredths perches to a stake at the Fairmont pike,

thence north eighty degrees thirty minutes west thirty perches to a large sugar on the south side of the pike, thence south eighty-six degrees thirty minutes west fifty-two and twelve hundredths perches to a stake in the Rohrbough's field, thence south seventy-seven degrees west one hundred and twenty-eight and eighty-four hundredths perches to a large sugar on the south side of the Baltimore and Ohio Railroad, thence south seventy-two degrees west thirty perches crossing the Tygart's Valley river to the beginning, containing thirteen hundred acres.

Wards.

Sec. 3. The territory included in the said city shall, from time to time, be divided into wards by the common council thereof. The wards shall be as nearly equal as may be in area and population, and when the wards and the boundaries thereof, shall have been once established by an ordinance of the common council, the wards shall thereafter be entitled to elect an equal number of councilmen; but until such establishment of wards by an ordinance of the common council, the wards shall be as follows, and shall be entitled to elect the number of councilmen provided in the eleventh section of this act:

The first ward shall include all that part of the territory of said city beginning at the county bridge across the Tygart's Valley river and running with Brown avenue to the outer limits of said city as above given and running thence northward with the outer limits thereof to the Tygart's Valley river and thence up the said river to the said bridge.

The second ward shall include all that part of the territory of the said city on the west side of said Tygarts Valley river and south of said Brown avenue, including all that territory on the west side of said river not included in the first ward as herein laid out.

The third ward shall embrace all that part of the territory of said city included in the following boundaries, that is to say: Beginning at the bridge across the Tygart's Valley river on Bridge street and running with Bridge street to Pike street, thence to the Methodist church, thence running with Serpell avenue to the limit of the said city, thence running with the outer limits of said city as prescribed in section [illegible] of this

act, northward, to the Tygart's Valley river, thence up said river to the said bridge, including all the boundary in said city north of said streets herein above named.

The fourth ward shall embrace all that territory of said city included in the following boundaries, that is to say: Beginning at the bridge across the Tygart's Valley river running with Bridge street to Pike street and with Pike street to the Methodist church and thence with Serpell avenue to the outer limits of said city as prescribed in section two of this act, and thence with said outer limits in a southernly direction to the said river, and thence down said river to the said bridge, including all of the boundary in said city south of the streets herein above named.

Municipal Authorities.

Sec. 4. The municipal authorities of the said city shall consist of a mayor, to be elected by the qualified voters of the whole city; a city clerk to be appointed as hereinafter provided for, and two councilmen from each ward to be elected by the voters of such ward (eight councilmen as provided by this charter but the number thereof to be increased or diminished, if the number of wards be increased or diminished), who, together, shall form a common council for the said city of Belington, and who shall receive such compensation as the council shall, from time to time determine, and when determined, shall not be increased or diminished during the term of office of any such council.

Exercise of Corporate Powers.

Sec. 5. All the corporate powers and functions pertaining to said city shall be exercised by its common council, or under its authority, in the corporate name of the city, unless otherwise provided by state law or municipal ordinance.

Subordinate Officers.

Sec. 6. The mayor shall nominate, and, by and with the advice and consent of the council, shall appoint a superintendent of the streets, a chief of police, a city attorney, an assessor, a collector, a treasurer, and as hereinafter provided, a city clerk, who may be designated to perform the duties of the assessor, collector and treasurer, as well as such other officers as may be established by a proper ordinance of the council, all of which said officers, except the city clerk, who is hereinafter

especially provided for, shall hold their respective offices, to which they are appointed, during the pleasure of the council, and until their successors are appointed and qualified. The several subordinate offices, or any two or more of them, may be held by the same person, and such officers shall receive such compensation as the council prescribes by ordinance, during the term for which the appointment was made.

Eligibility of Officers.

Sec. 7. No person shall be eligible to the office of mayor or councilman, unless at the time of his election he is legally entitled to vote in the city election for member of the common council, and was for the preceding year assessed with taxes upon real or personal property within the said city of the assessed value of five hundred dollars, or more, and shall actually have paid the taxes so assessed, and no person shall be eligible to any subordinate office under said city who is not at the time of his election or appointment entitled to vote for members of the common council.

City Clerk.

Sec. 8. The mayor shall nominate, and with the approval and consent of the council, shall appoint a city clerk for the said city of Belington, and such city clerk shall hold office for a period of two years, beginning with the first day of April, one thousand nine hundred twenty-seven, or at the first regular meeting of said common council, held after the first day of April, one thousand nine hundred twenty-seven; said city clerk, when so appointed and approved, shall hold office for a term of two years, subject to the provisions of this section, and at the expiration of every two-year period hereunder, it shall be the duty of the said mayor to so appoint, with the consent and approval of the city council, such clerk, and each succeeding clerk, so approved and appointed, shall likewise hold office for a term of two years; such city clerk shall receive such compensation as the council may prescribe by ordinance, and such compensation shall not be increased or diminished during the term for which such appointment is made. Said city clerk shall, in the absence of the mayor, act as mayor of the said city of Belington, and shall, when acting as mayor, exercise all of the rights, powers and prerogatives of a mayor, he shall

not have otherwise, as city clerk, any right to vote with the said council; said council shall have the right to combine, under the office of city clerk, the duties of tax collector, assessor, treasurer, superintendent of water works, collector and treasurer of the water department, and any and all other such duties as the said council may see fit to include, and said city clerk, when so appointed and approved, shall give bond in such amount as the said council may from time to time require.

The said city council shall have the right to remove such city clerk for cause, including negligence in the performance of his duties in any respect whatsoever, or malfeasance in office, or for any other cause, in addition, which may to said council appear to justify any such removal, but in case of such removal, a notice of the intention of the city council shall be served upon such city clerk for at least three days prior to any such proposed action, and said city clerk shall have the right to appear and show cause, if any he can, why he should not be removed by the said council, but the said council shall be the final judge of whether or not such removal is or is not justified.

Election of Officers.

Sec. 9. On the first Tuesday in March, one thousand nine hundred twenty-seven, there shall be elected by the qualified voters of said city, a mayor, whose term of office shall be one year, commencing on the first day of April next after their election and until his successor shall be elected and qualified.

Sec. 10. On the same day first above mentioned in the preceding section, there shall be elected in each ward in said city a member of the council, who shall reside in the ward for which he is elected, and shall hold office for a term of two years, and on the first Tuesday in March, one thousand nine hundred twenty-eight there shall be elected a member of the council from each ward who likewise shall reside in the ward for which he is elected and shall hold office for a term of two years; the councilmen now in office for the respective wards, whose term shall expire on the first day of April, one thousand nine hundred twenty-eight, shall hold office hereunder until the expiration of their said terms of office; at each yearly election thereafter there shall be elected in the same manner and with the same qualifi-

cations, a councilman from each word, so that there shall be perpetually in office two councilmen from each word, who shall each respectively hold office for a period of two years, or until their successors are elected and qualified; if any member of the council shall remove from the ward in which he was elected, his office shall thereby become vacant, and the common council shall fill such vacancy by appointment until the next general election of someone residing in the ward who is eligible to such office. Each ward shall constitute an election precinct and the council of the town of Belington shall establish a voting place in each ward at which the elections above provided shall be held, and at all elections for councilmen such councilmen shall be elected by wards. No voter shall be entitled to vote at any city election except in the ward in which he resides and if any voter shall vote for any person for councilman who is not a resident in which he is voted for, such votes shall not be counted for such person or persons.

Who Are Voters

Sec. 11. Every male and female person residing in said city shall be entitled to vote for all officers elected under this act, but no person who is under the age of twenty-one, or of unsound mind, or a pauper, or who is under conviction of treason, felony, or bribery in an election, or who has not been a resident of the state of West Virginia for one year and of the city of Belington six months, or who is not a *bona fide* resident of the ward in which he or she offers to vote, shall be permitted to vote therein.

General Elections

Sec. 12. In all elections by the people the mode of voting shall be by ballot, but the voters shall be left free to vote an open, sealed or secret ballot, as they may elect. The elections in said city shall be held and conducted, and the results thereof certified, returned and finally determined, as provided for under the laws in force in this state, relating to general elections, at the date of the passage of this act, as well as any subsequent amendment thereof, except that the persons conducting said elections shall on the day after the election is held deliver the ballots, tally sheets and poll books to the city clerk of said city,

and thereafter the common council of said city shall meet within ten days after any such election and canvass the returns thereof, and declare the results thereof, and shall in all respects comply with the requirements of the statutes above adopted relating to elections, and shall perform, with respect to city elections, all duties performed by the county court and county clerk respectively as related to county elections. All provisions of the code of West Virginia relating to general elections now in effect, or hereafter adopted, concerning elections by the people, shall govern and be applicable to city elections in the said city of Belington, and the penalties prescribed by statute for elections under the statutes of the state of West Virginia, for offenses relating to elections shall apply to and be enforced against offenders at such elections for said city of Belington, and said acts shall have the same force and effect as if specially applicable in such corporate elections, and as though such acts were by this act specially re-enacted, and set out in *extenso*, except as hereinabove specifically modified.

Tie Vote, How Decided.

Sec. 13. Whenever two or more persons shall receive an equal number of votes for mayor or councilman, such tie shall be decided by the council at the time the election is held.

Contested Elections.

Sec. 14. All contested elections shall be heard by the common council, and the contest shall be made and conducted in the same manner as provided for in contests in county and district offices, and the common council in such proceeding, shall, as nearly as practicable conform with like proceedings provided for the county court in such cases.

Vacancy in Office.

Sec. 15. Whenever a vacancy from any cause shall occur in any office the council shall by a majority vote of those present fill such vacancy.

Appointment of Additional Officers and Defining Their Duties and Fixing Compensation of Such Officers.

Sec. 16. The council shall also have authority to provide by ordinance for the appointment of such other officers as shall be necessary and proper to carry into full force and authority the power, capacity, jurisdiction and duties of said city which

are or shall be vested therein, or in the council, or in the mayor or any other officer or body of officers thereof, and to grant to the officers so appointed the power necessary or proper for the purposes above mentioned. The council by ordinance shall define the duties of all officers so appointed or elected as aforesaid, and allow them reasonable compensation; which shall be payable as the council shall provide, which compensation shall not be increased or diminished during their term of office, and shall require and take from all of them whose duty it shall be to receive its funds, assets or property, or have charge of the same, such bonds, obligations or other writings as they shall deem necessary or proper to insure the faithful performance of their several duties. All officers whether appointed or elected may be removed from office for malfeasance, nonfeasance or misfeasance by the council; but, *provided, always*, that any appointed officer who holds his office at the pleasure of the council may be removed from his office at any time without notice. The chief of police shall have all power, rights and privileges within the corporate limits of said city in regard to the arrest of persons, the collections of claims and the execution and return of process, that can be legally exercised by a constable of a district within this state; and may without having any warrant or other process therefor arrest any person who commits any offense against the laws of this state or infraction of the ordinances of said city, in his presence. He shall be *ex-officio* the keeper of the city jail and have charge of the city prisoners confined therein, and may confine any person arrested by him in the city jail until such time as the charges against such person can be inquired into by the mayor. Any person fined by the mayor for infraction of any of the ordinances of the city may pay such fine either to the mayor or chief of police; and the said chief of police and his sureties shall be liable to all fines, penalties and forfeitures that a constable of a district is liable to for any failure or dereliction in his said office, to be recovered in the same manner and in the same courts that the said fines, penalties and forfeitures are now recovered against a district constable. It shall be the duty of the collector and treasurer or city clerk to collect the city taxes, licenses, levies, assessments and other such city claims as are placed in his hands for colle[illegible] by the

council, and he may distrain and sell therefor in like manner as a sheriff may distrain and sell for state taxes, and he shall in all other respects have the same power as the sheriff to enforce the payment and collection thereof.

Bonds.

Sec. 17. All bonds, obligations or other writings taken in pursuance of any provision of this act or under the provisions of any ordinance of said city, shall be made payable to "The City of Belington," and the obligors therein and their heirs, executors, administrators and assigns, shall be subject to the same proceedings on such bonds, obligations or writings, for enforcing the conditions of the terms thereof, by motion or otherwise, before any court of record or justice of the peace having jurisdiction thereof, held or acting in or for said Barbour county or any district thereof or elsewhere, that the sheriff or collector of said county and his sureties are or shall be subject to on his bond taken for the enforcement of the duties in the payment of the county levies.

Oaths of Officers.

Sec. 18. The mayor and councilmen, and all other officers provided for in this act shall each, before entering upon their duties, and within fifteen days after their election or appointment, take the oath or affirmation prescribed by law for all officers in this state, and make oath or affirmation that they will truly, faithfully and impartially, to the best of their ability, discharge the duties of their respective offices, so long as they continue therein. Said oath or affirmation may be taken before any person authorized by law to administer oaths at the time the same is taken, or, before the mayor or city clerk of said city of Belington, but in any event, a copy of said oath shall be filed with the city clerk.

Tenure of Office.

Sec. 19. The mayor and councilmen shall enter upon the duties of their offices upon the first day of April next after their election, or as soon thereafter as they have qualified, and all appointed officers shall enter upon the duties of their offices as soon as they have qualified, except the city clerk, who shall be governed by the preceding section herein relating to such city clerk; and all officers shall remain in office until their successors are elected and qualified, or until removed therefrom, except as to the city clerk, who shall be governed by the preceding section relating thereto.

Ineligibility or Failure to Qualify

Sec. 20. If any person elected to any office shall not be eligible thereto under the provisions of this act or shall fail to qualify as herein required, the council shall declare his said office vacant and proceed to fill the vacancy as required by this act.

Powers and Duties of Mayor

Sec. 21. The mayor shall be the chief executive officer of the city, and shall take care that the orders, by-laws, ordinances, acts and resolutions, of the council thereof are faithfully executed. He shall be *ex-officio* a justice and conservator of the peace within the city, and shall within the same have, possess and exercise all the powers and perform all the duties vested by law in a justice of the peace, except he shall have no jurisdiction in civil cases or causes of action arising out of the corporate limits of the city unless the defendant resides or is found therein and process therein served upon him. He shall have the same power to issue attachments in a civil suit as a justice of his county has, but in such case he shall have no power to try the same, but such attachment shall be made returnable and heard before a justice of the peace of his county. Any warrant or other process issued by him may be executed at any place in the county. He shall have control of the police of the city and may appoint special police officers whenever he deems it necessary, and may suspend any police officer until the next regular meeting of the council. And it shall be his duty especially to see that peace and good order of the city are preserved, and that persons and property therein are protected, and to this end he may arrest or cause the arrest and detention of all violators of the laws of this state and ordinances of the city, before issuing his warrant therefor if the offense is committed in his presence.

He shall have power to issue executions for all fines, penalties and costs imposed by him, or he may require the immediate payment thereof and in default of such payment he may commit the party in default to the jail of the county of Barbour or other place of imprisonment used by said corporation if there

be one, until the fine or penalty and the costs be paid; but the term of imprisonment in such cases shall not exceed thirty days. And in all cases when a person is sentenced to imprisonment or to the payment of a fine of ten dollars or more (and in no case shall a judgment for a fine be for less than ten dollars if the defendant, his agents or attorneys object to a less fine being imposed), such person shall be allowed an appeal from such decision to the circuit court of the county of Barbour upon the execution of an appeal bond with security deemed sufficient by the mayor in a penalty sufficient to cover said fine and cost before the mayor, and the costs in the circuit court in case said judgment be affirmed, with condition that the person proposing to appeal will perform and satisfy any judgment which may be rendered against him by the circuit court on such appeal. If such appeal be taken the warrant of arrest (if any), a transcript of the judgment, the appeal bond and other papers in the case, shall be forthwith delivered by the mayor to the clerk of the said court, and the court shall proceed to try the case as upon indictments, and render such judgment, including costs, as the law and the evidence may require. The mayor shall from time to time recommend to the council such measures as he may deem needful to the welfare of the city. The expense of maintaining any person committed to the jail of the county by him, except it be to answer to an indictment, shall be paid by the city and taxed as costs against the defendant. The mayor before acting shall execute bond with good security in a penalty of not less than one thousand dollars, or in such additional penalty as the council may require, subject to the approval of the council with the same conditions as required in bond executed by a justice of the peace in chapter fifty of the code; and all the provisions of the said chapter relating to money received by a justice shall apply to like moneys received by the mayor.

Powers and Duties of the City Clerk.

Sec. 22. The city clerk shall keep an accurate record of the proceedings of the council and shall have charge of and preserve the records of the city, and in case of the absence from the city or in case of the sickness or inability of the mayor to act, or during any vacancy of the office of the mayor, he shall perform such duties of the mayor as pertains to such mayor, as chief executive of the city, and shall be vested with all

powers necessary for the performance of such duties, but shall not be vested with any of the authority of the mayor pertaining to civil suits.

He shall be a conservator of the peace within the city. Likewise he shall, at the direction of the city council, perform the duties of the tax collector, assessor and treasurer for said city, and likewise superintendent of the water works and collector and treasurer of the water department and such other duties as the said council may from time to time impose.

Quorum.

Sec. 23. The presence of a majority of the council shall be necessary to make a quorum for the transaction of business. In no case is the city clerk to have the right to vote or have any of the powers of the councilmen except when he is acting as mayor in any case where the mayor would have such right to vote.

Record of Minutes and Ordinances.

Sec. 24. The council shall cause to be kept by the city clerk in a well bound book to be called "the minute book," an accurate record of all its proceedings, ordinances, acts, orders and resolutions, and in another book to be called "ordinance book," shall be kept accurate copies of all general ordinances adopted by the council; both of said books shall be accurately indexed and open to inspection of any one required to pay taxes in the city, or who may be otherwise interested therein. All oaths and bonds of officers in the city and all papers of the council shall be endorsed, filed and accurately kept by the city clerk. The bonds of officers shall be recorded in a well bound book to be called "record of bonds". The city clerk shall perform such other duties as by ordinance of the council may be prescribed. The transcripts of ordinances, acts, orders and resolutions, certified by the city clerk under the seal of the city, shall be deemed *prima facie* correct when sought to be used in any court or before any justice.

Reading of Minutes.

Sec. 25. At each meeting of the council proceedings of the last meeting shall be read and corrected, if erroneous, and signed by the presiding officer for the time being. Upon the call of any member the ayes and noes on any question shall be

taken and recorded by the city clerk in the "minute book". The call of the members for such vote shall be made alphabetically.

Who Shall Vote in Council.

Sec. 26. The mayor shall have a vote as a member of the council and in case of a tie the presiding officer shall, for the time being, have the deciding vote.

Meetings of the Council.

Sec. 27. The regular meetings of the council shall be held at such times at such places in the city as they shall from time to time ordain and appoint; and it shall be lawful for the council by ordinance to vest in any officer of the city, or in any member or number of members of their own body, the authority to call special meetings and prescribe the mode in which notice of such special meetings shall be given. If a majority of the members of council do not attend any regular or special meeting those in attendance shall have authority to compel the attendance of absent members under such reasonable penalties as they may think proper to impose; all questions put to vote, except such matters as hereinafter provided for, shall be decided by a majority of the members present.

To Whom Money of City Paid.

Sec. 28. All moneys belonging to the city shall be paid over to the city clerk or treasurer, or to the city clerk who may be acting as such clerk and treasurer; no money shall be paid out by him except as the same shall have been appropriated by the council and upon an order signed by the mayor and city clerk, and not otherwise, except at the expiration of his term of office upon the order of the council signed by the mayor and city clerk, he shall pay over to his successor all the money remaining in his hands.

Duties and Powers of Council.

Sec. 29. The council of said city shall have the following general powers: To lay off, open, close, vacate or maintain public grounds, parks, public places, name and rename the same, to have control and supervision thereover, to protect the same from punage or other injury by persons or property, to fix fines and punishments for any injury thereto in violation of any of the orders of said council, and to maintain good order and prevent violations of the ordinances of said city therein or thereon.

To establish, maintain and regulate free public libraries and reading rooms and to purchase books, papers, maps, manuscripts and other proper things therefor, to receive donations and bequests of money or property for the same, in trust or otherwise, and to pay the necessary expenses for establishing, maintaining and regulating the same out of the funds for general purposes; *provided*, such expenditures shall not exceed one hundred dollars per annum, unless by a unanimous vote of all the members of the council.

To protect divine worship within the limits of said city and to fix fines and punishment for disturbance of any assemblage of people, then and there, met for the worship of God, to prohibit any interference with or disturbance of divine worship or an assemblage of people met together for the worship of God, by any person or persons loitering about the premises or places where such worship is being had or such assemblage is met, or from loitering in the public places ajacent thereto in such manner as to interrupt such worship.

To acquire either by purchase, condemnation or any other modes provided by general law, ground within said city for such streets and alleys as the council may deem proper; to locate, lay off, vacate, close, open, alter, grade, straighten, widen or narrow, pave or re-pave, construct and keep in good repair, the roads, streets, alleys, pavements, sidewalks, crosswalks, drains, viaducts and gutters therein, and such bridges as may be owned or built by the said city, for the use of the public or of any of the citizens thereof, and to improve and light the same and to keep the same clean and free from obstruction of every kind; *provided*, the municipality shall not be liable for or responsible in damages for injury to persons or property caused by or from a defect or obstruction in or on the plat of ground between the gutter or curb of any street and the paved or plank sidewalks extending there along or between any such sidewalks and the property lying next adjacent thereto, unless the municipality had actual notice of such defect or obstruction prior to the time of the injury complained of; and *provided, further*, that where said

city shall be required to respond in damages by reason of injury to persons or property occassioned by the failure of any abutting owner to provide or keep in repair any sidewalk along such property, after being notified by the council so to do, that such property owner shall be liable to the city for any sum of money, costs and council fees which it has been required to pay by reason thereof.

To regulate the width of sidewalks and the streets and the width and the care of the public grounds or grass plots abutting thereon, and to order the sidewalks, footways, crossways, drains and gutters to be curbed, paved or re-paved and kept in good order, free and clean and to provide for the removal of snow and ice therefrom and for sprinkling the same by the owners or occupants of the real property next adjacent thereto, and to provide and enforce punishments for obstructing, injuring or preventing the free and proper use thereof, and to provide and enforce fines and penalties for throwing therein or thereon any paper, glass, rubbish, decaying substances or other things that would make said streets, sidewalks, grass plots, crosswalks, drains or gutters unsightly or unhealthy.

To regulate the use of the walks, highways, bridges, streets, alleys and gutters and the rate of speed of travel thereon, and to prevent and punish for fast riding or driving thereon of any horse, bicycle, wheeled vehicles, wagon, steam or electric or traction engine, motor car or automobile, and to prevent injury to such streets, alleys, roads and highways from overloaded or improperly loaded vehicles, and from dragging logs or other matter thereon, and to regulate the speed of engines or trains or street cars upon or across any such streets, alleys, highways, bridges, public places or any other place where the council deems the public safety requires such regulation.

To regulate the planting, trimming and preservation of shade trees, by persons and corporations, in streets, alleys, roads, public grounds and places, and shall require the owner of adjacent property to trim any shade tree or ornamental shrubbery or other tree that in the opinion of the council is an obstruction to the streets, alleys, or side walks or a menace to public safety

The council shall have the right to require the owner or occupier of any property in the city to keep his premises clean and free from all matter that would endanger the health of the city, and may require the removal of any waste paper or waste material of any kind or character upon the private property of any citizen or property owner that would cause the spread of fire or when the council deems the same should be removed; and may require the removal or straightening of any fence, wire, paling or other material enclosing any lot, when, in the opinion of the council, the same is dangerous or obstructs or encroaches upon the streets, alleys or sidewalks; *provided*, that in all such cases, if the owner or occupier of such property fails to do any of the things enumerated in this section required by the council, after notice by the council, the council may take such action as may be necessary to perform such acts and the expenses thereof shall be charged to the property owner and collected as taxes are collected.

To regulate the making of division fences and party walls by the owners of adjoining and adjacent premises and lots. To regulate or require drainage by the owners or occupier of any lot or other real estate, by proper drains, ditches, and sewers, and to require the owner or occupier of any lot to fill the same, at his own expense, so that water will not collect in a body thereon, so that the same will not become a menace to public health.

To regulate or prohibit street carnivals, or street fairs, or street parades, advertising exhibition, or other exhibitions thereon, or the exhibition of goods, wares, merchandise, material or artificial curiosities upon any street, sidewalk, alley or public place of the said town.

To regulate or prohibit the ringing of bells, blowing of steam whistles, or use of hand-organs or other instruments of any annoying character, or other music of itinerant performers in the streets, or public speaking and preaching in the streets, roads, parks or public places of the municipality.

To license, regulate or prohibit auctioneering.

To license, regulate or prohibit the sale of goods, wares, merchandise, drugs or medicines on the streets or other public places.

To prevent the illegal sale, offering or exposing for sale, or advertising of spirituous liquors, wine, porter, ale, beer or drinks of a like nature.

To prevent the illegal sale of tobacco, cigars, snuff or cigarettes, within said municipality, and to prevent the smoking, by any person under twenty-one years of age, of any cigarette, in any public building or upon any public grounds, street, alley, sidewalk or public place within said city, and to fix fines and punishments for violation thereof.

To regulate, control or prohibit runners for hotels, boarding houses and eating houses, and to regulate draymen or persons hauling or transporting for hire at and about the railroad depots and stations and other public places.

To regulate, assess and collect a license fee for the said city for the doing of anything or business on which a state license is required, subject to the exemption as provided in chapter thirty-two of the code of West Virginia.

To establish, when the council may deem proper, locate and keep in repair, market places, market houses and regulate markets, prescribe the time for holding the same, to authorize the seizure and destruction of any and all such foods and drink products, as shall be found unwholesome, dangerous or offensive, and without recourse against the municipality for its cost or value.

To regulate the sale of food and drink products, milk, fresh meats, fish and vegetables, and to provide penalties for the sale of any such that is unwholesome or unfit for use.

To regulate and provide for the weighing of hay, coal and other articles for sale in the markets, or to residents of said city.

To require the merchants and other persons selling goods, foods or materials that must be weighed, to keep correct scales; to seize and destroy such as are found to be incorrect, and not corrected after due and proper notice to the owner or person using the same, without damage or expense to the municipality for the value thereof.

To prevent injury or annoyance to the public or individuals from anything dangerous, offensive or unwholesome.

To regulate the keeping, handling and transportation of explosives and dangerous combustibles within the municipality; and to regulate or prohibit the use of fire crackers, sky rockets toy pistols, air rifles or guns, within the said municipality.

To regulate or prohibit the erection or maintenance in what the council deems an improper locality within said city, any garage, blacksmith shop, livery stable, barn, stable, cattle pen poultry house, pig pen, privy, bill board, sign board, gas or other engine, or anything that would be a menace to persons or property or public safety, or that would injure private property or annoy citizens of said city.

To regulate or prohibit the use of walls or walks for signs, to regulate or prevent the distribution or posting of any sign, bill or other paper that, in the opinion of the council or mayor, is indecent or immoral.

To require the removal or abatement of any building, business, bill boards, sign, sign board, or other thing, which, in the opinion of the council, is a nuisance.

To regulate or prohibit the distribution of hand bills, circulars and other advertisements of like kind, on the streets, roads, alleys and public places, or the placing of same in private yards, buildings or other structures, without having first secured the consent of the owner or occupier of such property.

To regulate or prohibit within the municipality or within one mile of its corporate limits, the erection or maintenance of any slaughter house, soap factory, glue factory, lamp black factory, tannery, or other house, shop or factory of like kind or character.

To establish within said municipality public drinking fountains, and water troughs; and to regulate the time and place and manner of bathing in pools, streams and public waters within the police jurisdiction of said municipal corporation.

To prevent hogs, cattle, sheep, horses and other animals and fowls of all kinds, from going at large in the municipality; and to establish and maintain places for their detention, make regulations respecting the same, appoint a pound master and define his duties and provide for the sale of such property impounded.

To arrest, convict and punish any person for committing adultery or fornication, or for any lewd or lascivious cohabitation within said city, and for keeping an assignation house, house of ill-fame, or for leasing or letting to any other person any house or other building to be kept or used as such, or for knowingly permitting any house, under the control or owned by any person, to be used as an assignation house or house of ill-fame; and to convict and punish for frequenting, entering or loitering in any assignation house or house of ill-fame within said municipality.

To arrest, convict and punish any person for importing, printing, publishing, selling, giving away, exhibiting, or distributing any book, picture or device, or other thing containing any obscene picture or language, or making any indecent representation.

To restrain, convict and punish vagrants, mendicants, beggars, tramps, common prostitutes, and their associates, and drunken or disorderly persons within the municipality, and to provide for their arrest and manner of punishment.

To prevent and prohibit the use of indecent or profane language within the corporate limits, and to provide and fix punishment therefor

To prevent and prohibit any tumult, riot, quarrel, angry contention or abuse of any person, assault and assault and battery, and to fix punishment therefor.

To prevent and prohibit trespass upon private property or the doing of anything which would annoy the owner or occupier of any premises, and to fix and provide fines and punishment therefor.

To provide against danger or damages by fires, and to that end, to require, when the council think necessary, an inspection of all the properties within the said city, and to require the owner or occupier of any property in which a defective or dangerous chimney or flue is found, to immediately repair the same, and to prevent the use thereof until repaired as required.

To prohibit and prevent intoxication or drunkenness and to fix fines and penalties therefor.

To prohibit and punish for larceny where the amount stolen is less than twenty dollars.

To prohibit, prevent and punish for anything against the good morals and common decency, or that would tend to corruption, vice or crime.

To protect the public schools in said city, and to prohibit and prevent any disturbance thereof in and about the buildings or upon the grounds, and to prevent injury, destruction or defacement of any school property or building.

To establish a board of health and invest it with the necessary power to maintain its object, and to fix fines and penalties for any violation of its lawful order.

To establish quarantine, and to erect and maintain pest houses and places of detention, and to make and enforce necessary orders for controlling or preventing the spread of infectious and contagious diseases, and for abating pestilence.

To prohibit the bringing into the corporate limits by railroads, carriers, or in any manner, persons who are paupers or persons who are afflicted with contagious diseases; to punish any railroad company, carrier or corporation, by fine or imprisonment, or both, or any person who shall bring into the corporate limits any such pauper or person afflicted with contagious disease, knowing or having reason to believe, at the time, that such person is a pauper or afflicted with such contagious disease, and to collect and recover from any such railroad company, carrier, or other person, the expense of keeping and maintaining such pauper or diseased person, until such person can be lawfully removed from the corporate limits.

To authorize the taking up and providing for the maintenance and safe keeping, and educating of (for such period as may be deemed expedient) all children within said city who are destitute of proper parental and other care.

To arrest, convict and punish any person for cruelly, unnecessarily or needlessly beating, torturing, mutilating, killing, or overloading, or overdriving, or wilfully depriving of necessary sustenance, any horse or other domestic animals.

To regulate the hitching of horses within the corporate

limits, and the driving of cows and cattle through, upon and along the streets and alleys of the said city.

To prohibit, prevent and punish the pollution of any stream of water running into or through the said municipality; and to prohibit and prevent the throwing into any such stream of any trash, dirt, filth, offal, decayed substances or matter, or anything that would make said water unhealthy or unfit for domestic use.

To prohibit, prevent and punish for any desecration of the Sabbath day; prohibit the playing of any game, exhibiting any show, theatre, picture show, and the keeping open of business places, except hotels, eating houses, boarding house, restuarants, drug stores and places where ice cream or soft drinks are furnished

To restrain, prevent and punish fraudulent practices of any kind or character within the municipality.

To regulate, control or prohibit any theatre, picture show or carnival, which, in the opinion of the council, would corrupt the morals of the community.

To regulate, control or prohibit the maintenance of any public dance hall.

To arrest, convict and punish any person for gambling or keeping any gaming table, commonly called "faro bank," or table and chips used in playing such game; crap table, chips or dice used in playing such game; or roulette or the wheel, chips or other equipment used in playing such game; or keno table or table of like kind or device used in playing the same; or table of like kind under any denomination, whether the game or games be played with cards, dice or otherwise on which anything is bet or wagered, whether the same be played in any public place or private room or residence; and may convict and punish any person who shall be a partner or concerned in interest in the keeping of any such gambling devices heretofore enumerated, or in any game played, such as is prohibited hereby, or in keeping or maintaining any gambling house or place of gambling for money or anything of value; and shall have the right to destroy such gambling paraphernalia as may be found in use on any such premises; and any officer armed with a warrant for the arrest of any

person engaged in any such unlawful game or for the search of any room in which gambling is suspected, or for the seizure of any gambling paraphernalia, shall have the right to break into any building, other than a private dwelling house without notice or demand, and into a private dwelling or room, after demand and refusal to open same, to execute any such warrant

To restrain all felons and persons guilty of offenses against this state or the United States, and deliver them over to the authorities or court having jurisdiction of the offense whereof such person is accused.

To apprehend and punish any person who, without a state license therefor, is guilty of carrying about his person, within the municipality, any revolver or other pistol, dirk, bowie knife, slung shot, razor, billy, metallic or other false knuckles, or any other dangerous or deadly weapons of like kind and character, as provided by chapter fifty-one of the acts of the legislature of one thousand nine hundred and nine, and the punishment therefor, whether for the first or other offenses, shall be that prescribed by said chapter for any such person guilty under the misdemeanor clause provided therein; *provided*, that the mayor acting *ex-officio* justice of the peace, may, after enforcing this ordinance, hold such offender to answer to an indictment in the circuit court of Barbour county for such offense, under the state law.

To regulate the erection, construction, alteration and repair of dwelling houses, buildings, and other structures within the municipality, issue permits therefor, and compel the numbering of the same by the owners or the occupants thereof.

To regulate the hanging of doors, the construction of stairways and elevators, and require fire escapes in theatres, churches, school buildings, factories and other places deemed necessary by the council.

To establish fire limits and to regulate the construction of buildings, and designate materials to be used in the construction of buildings within such limits.

To regulate the building of fire walls, fire places, chimneys, boilers, smoke stacks, stove pipes, and the burning of waste paper, trash or other waste matter, in the corporate limits.

To require any building that, in the opinion of the council is dangerous, to be repaired, altered or removed by the owners thereof, or put in a safe condition, such as the council may approve, at the expense of such owners or occupier, and to provide punishments for failure to comply with any order of the council concerning same

To regulate the height, construction and inspection of all new buildings hereafter erected, the alteration and repair of any buildings now or hereafter erected, to require permits to be obtained of the council therefor, and the submission of plans and specifications to the council for its approval; to regulate the limits within which it shall be lawful to erect any steps, porticos, bay windows, awnings, signs, columns, piers, or other projection or structural ornaments of any kind for the houses or buildings on any street or alley.

To provide for the prevention and extinguishment of fires, and for this purpose, the council may equip and govern fire companies, prescribe the powers and duties of such companies and departments, and of the several officers thereof, or may authorize volunteer fire companies, under such rules and regulations as the council may prescribe, and impose on those who fail to obey any lawful command of the officer in charge of any such company, or volunteer company, any penalty which the council is authorized to impose for violation of an ordinance, and to give authority to any such fire officer to direct the pulling down or destruction of any building, fence, wall or other thing, if such officer deem it necessary, to prevent the spreading of any fire which is being extinguished under the direction of such officer, and without any liability on the municipality for damages therefor.

To protect the persons and property within the corporate limits and preserve the peace and good order therein, and for this purpose to appoint, when necessary, a police force and such other officers as may be deemed necessary; and to provide a lock-up, jail or other suitable place to confine persons sentenced to imprisonment for violation of the ordinances of said city; *provided, however*, that the jail in Barbour county may be used for that purpose, if authorized by the county court of said county

To require any person violating any of the ordinances of said city, or any order for which a fine, imprisonment or both is imposed, to work upon the streets of said city in case of non-payment of said fine, until the same is paid by such labor, or in case imprisonment is imposed to work upon the streets of said city during the term of such imprisonment in addition to the payment of such fine, under such regulations as the council may prescribe.

To prescribe the powers, define the duties of the officers appointed under the corporate authority, fix their terms of service and compensation, if not otherwise prescribed by this chapter, and to require and take from them bonds, when deemed necessary, payable to the state of West Virginia, or the City of Belington, with the sureties, and in such penalties as may be prescribed, conditioned for the faithful discharge of their respective duties; *provided*, that the compensation of any officer, elected or appointed, shall not be increased nor diminished during the time for which he is elected or appointed.

To make regulations with respect to, and have supervision and control over the erection, removal and re-location of all telephone, telegraphs, electric light or other poles within said city, and the extension of wires, lines or poles by any individuals or corporations.

To grant and regulate all franchises in, upon, over and under the streets, alleys and public ways of said city, under such restrictions as shall be provided by ordinance and general law; but no exclusive franchise shall be granted by said city council to any individual or corporation; nor shall any franchise be granted for a longer period than twenty years.

To acquire, erect or authorize or prohibit the erection of gas works, electric light works or water works within the city limits; to prevent injury to such works or the pollution of any gas or water used or intended to be used by the public or by individuals; and to do all things necessary to adequately supply said city and the inhabitants thereof with pure, healthful and wholesome water; and to require any company furnishing gas or electricity for sale or distribution in said city, to furnish an adequate supply thereof; to require gas fixtures, electric light wires, telephone w[illegible] and all

apparatus used in connection with any of these, to be kept in repair and suitable for use, and free from danger, so far as practicable, to use, generate, distribute and sell electricity and gas for heat, light and power, and to furnish light for the streets, highways, buildings, stores and other places in and about said city.

To require any gas company or person furnishing gas for said city or the inhabitants thereof, to put in standard meters for the measurement thereof, and may appoint a competent person to inspect the meters and remove the same if not standard and in good order; to prevent injury to any gas works, electric light works, water system or any gas meter or other meter within said municipality.

The council shall have the right to require of any water company or person furnishing water for the use of the inhabitants of said city, for hire, compensation or reward, to obey any order of the council with respect to keeping the reservoir or other source from which said water is furnished, free from filth and in good, clean condition, and may require said water company to properly filter the water distributed for use, and may require said company to put in such lines as may be necessary to pump the said water into the reservoir or other receptacle therefor, without pumping the same into the main distributing lines, or in any other way or manner affecting them; and may fix fines and penalties for any failure on the part of any corporation, company or other person distributing water, to obey any order of the council or any authorized officer of the town, respecting same, or any ordinance that may be enacted by the council relative thereto.

The council shall have the right to own, maintain, operate and control any electric light or water plant within said city, and to use, generate, distribute, sell and control electricity and gas for heat, light and power, and to furnish light and water for the streets, houses, buildings, stores, and other places in and about said city, and for such electricity or water other than that furnished for the municipality in lighting its streets or public places, it may charge reasonable rates, but such rates in all cases shall be uniform; and such electric light or water plant shall be under the supervision

and control of the council, and its wires, poles, pipe line, reservoirs, distributing system and machinery shall be kept in such repair so that as little danger as possible shall arise therefrom, and so that same will furnish an adequate supply of electricity and water to all persons in said city desiring to use same.

To have, hold, own and control real estate and personal property, both inside the corporate limits of the said City of Belington and without such corporate limits, and the right to do any and all things necessary, collateral or incident to the owning, maintaining and operating of a full and complete water plant and system by the said city of Belington, whether within said corporate limits or outside of the same.

The council shall have the right to provide a sewerage system for said city, and may require the owner of any property abutting upon any street or alley in which a sewer has been laid or placed, to connect a sewer leading from his or her property or lot into any public sewer which is located in such street or alley adjoining same, and pay such fees for tapping, as the council shall prescribe, and if the owner or occupier of said lot or property fails or refuses to do so, after having been given a reasonable notice, the council may enter upon such lot and construct such sewers, and may levy the actual cost thereof including fee fixed by council for sewer tap against the lot upon which the same is built and collect such costs from the owner of such lot in the same manner as city or state taxes are collected; in addition thereto, the council may punish by fine, or fine and imprisonment, any person who permits any drainage from his residence or lot to enter upon any street or upon any property after a sewer has been placed in a street or alley adjacent to his property to which he could connect, after notice has been given to him by the council to make such connection.

The council shall have the right to impose fines and penalties for any interference with or destruction of the sewer system or any part thereof in said city, or for the destruction of or damage to any street, alley or sidewalk in said city, or any improper use thereof; it shall have the right to regu-

late or prevent the use of the sidewalks for bicycles, push carts, sleds, tricycles, roller skates and other things of like character, and to fix fines and penalties for violation of the ordinances respecting same.

To grant by ordinance or resolution permits for the temporary use of such parts of its streets, roads, alleys and public places as the council may deem proper and right to be used in the construction, alteration or repair or buildings located thereon, or for such other purposes as the council may deem proper and right, and under such regulations and for such time as the council may prescribe.

The council may buy, lease and operate either within or without the municipality, stone quarries, crushers and land for said purposes or for the purpose of furnishing a supply of stone or other material suitable for macadamizing or paving the streets, sidewalks and alleys, and improving public property.

Whenever in the opinion of the council it is necessary that any sidewalk be built or repaired, it shall first have a competent engineer fix a grade line for such sidewalk and shall then, by order of council, name the character of material out of which same is to be built, and fix the width thereof, and put in such curbing as the council may deem necessary, as well as make the necessary cuts or fills to conform to grade given, and shall then give notice, in writing, to the owner or occupier of said lot, if he be found, and if he be not found, by posting notice thereof upon the said lot and at the front door of the court house of Barbour county for at least ten days, requiring the construction of the said sidewalk in accordance with the requirements of the council, and upon the grade fixed by the said engineer, and if such sidewalk be not built, altered or repaired within twenty days after such notice is first given or posted, the council shall proceed to put the same in under its supervision and control and shall charge the expense thereof against the property along which the same is being placed, altered or repaired, and shall cause an itemized account of the same to be made up and delivered to such property owner or occupier of such premises, if found, and if he be not found, have the same recorded

in the county clerk's office of Barbour county, and the same shall constitute a lien upon the said lot or property and shall be collected as other taxes are collected; *provided*, nothing herein contained shall prevent the council from requiring immediate repair of such sidewalks now or hereafter constructed that may become dangerous, and after notice to the property owner along which the same run, the council may make such immediate repairs, if the property owner fails to make same after such notice, and the expense thereof shall be a lien in the manner aforesaid.

The council shall have the right when in its opinion it is necessary or proper so to do to pave or otherwise improve by macadam, tarvia or concrete any street or alley of the said city and to charge one-half of the cost thereof to the owner of the property on each side of the said street or alley; but the grading and preparing shall be done by the city and paid for out of such funds as the council may provide, but such improvement shall be done and such assessment and charges made against the property owners as provided by the general law of the state of West Virginia.

To provide for the annual assessment of the taxable property in said city, including dogs kept in said city, and to provide a revenue for the city for municipal purposes and appropriate such revenue to its expenses; *provided*, nothing herein contained shall require the council to keep in repair and maintain any bridge or bridges within said corporation owned by the county of Barbour, but the officers of said corporation in the preservation of law and order shall have jurisdiction over any such bridges within said corporation; and, *provided, further*, that the police regulations as may be ordained by said city, and the right and power to enforce the same shall extend one mile into the state of West Virginia beyond the corporate limits of said city.

To create by ordinance such committees or boards, delegate such authority thereto, as may be deemed necessary or advisable by the council.

The council may, within any prescribed area, prohibit the erection in any street or in any square, of any building, or of any addition to any building more than ten feet high,

unless the outer walls thereof be made of brick and mortar or other fire proof material. And may require the removal of any building, or addition, which shall be hereafter erected contrary to this prohibition, at the expense of the owner or owners thereof.

The council shall keep all roads, streets and alleys within its limits passable and in good repair, except where such streets are surrendered to the state or county for main highways, and may provide the expenses therefor by a direct taxation, as provided under this charter, or in any other manner authorized by law; and the residents of the said city who are taxed therein for the purpose of maintaining such streets and alleys shall be exempt from the payment of any county road tax.

In the enforcement of the ordinances, orders, rules, regulations and by-laws of the said city, no fine shall be imposed exceeding one hundred dollars, and no person shall be imprisoned or compelled to labor upon the streets of said city as aforesaid more than thirty days for any one offense, and in all cases where a fine is imposed for an amount exceeding ten dollars or a person be imprisoned or compelled to labor as aforesaid for a greater term than ten days, an appeal may be taken from such decision upon the same terms and conditions that appeals are taken from a judgment of a justice of this state; and in no case shall a fine of less than ten dollars be imposed where the ordinance prescribes a fine of as much as ten dollars or more, if the defendant requests that such fine be made at least ten dollars for the purpose of appeal.

The council shall have the right to enforce the attendance of its members at all regular meetings and at all special meetings of which such members have notice, and may cause the arrest and punishment, by fine or fine and imprisonment, of any such member who refuses to attend and take part in its proceedings.

It shall be the express duty of the council to present charges against any of its members, or any officer of the city, who fails to perform, or who does not promptly and diligently perform any duty prescribed by this act, or by any

ordinance or resolution of the council, and upon hearing thereof before the council, after notice to such officer, he shall be removed from office by the council, if the charges be found correct.

Mayor's Docket.

Sec. 30. A well bound book, indexed, to be denominated the "mayor's docket," shall be kept in the office of the mayor in which shall be noted each case brought before or tried by him together with the proceedings therein, including a statement of the complaint, the warrant or summons, the return, the fact of appearance or non-appearance, the defense, the hearing, the judgment, the cost, and in case the judgment be one of conviction the action to enforce the same. The record of each case shall be signed by the mayor and the original papers thereof, if no appeal be taken, shall be kept together and preserved in his office.

Annual Levy.

Sec. 31. The council shall cause to be made up annually and spread upon the minute book an estimate of all sums which are or may become chargeable against the city and which ought to be paid within one year; and it shall order a levy at a meeting held by it either in the month of June or July of each year of so much as will in its judgment be necessary to pay the same; such levy shall be upon all real and personal property therein subject to a state tax, and shall designate the same as the "general tax," and may include a poll tax of not exceeding one dollar each year upon each able bodied man therein who is above the age of twenty-one years and not over fifty years of age; which poll tax shall be used exclusively upon the opening, improving and maintaining the roads, streets and alleys of the city, and shall designate the same as the "street tax;" *provided*, that such levy for the general tax shall not exceed one dollar on every hundred dollars of the assessed value of the property on which the same is levied for the year one thousand nine hundred and five and not exceeding fifty cents on each one hundred dollars thereafter; and the council may also impose such license tax on dogs, and other animals as they deem proper and collect the same from the owners of such animals as other taxes are collected and prescribe

THE CITY OF BELINGTON

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of The City of Belington does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the City Clerk at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the City Clerk not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the City Clerk at the front door or bulletin board of the City Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 5th day of February, 2004.

Mayor

ATTEST:

Susan Bradley

City Clerk

CHS04303.1

CERTIFICATION

I, Susan Bradley, duly appointed City Clerk of The City of Belington do hereby certify that the foregoing is a true and accurate copy of a Resolution adopted by the City Council of The City of Belington at a regular meeting of City Council held _____, 2004, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 5th day of February, 2004.

[SEAL]

Susan Bradley
City Clerk

02/01/04
062490.00001

State of West Virginia
County of Barbour
City of Belington, To-Wit:

I, William King solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of

Mayor

for the CITY OF BELINGTON to the best of my skill and judgment:

SO HELP ME GOD.

William C King

Subscribed and sworn before me, in said County of Barbour and State of West Virginia, this 16th day of May, 2013.

Susan Bradley

City Clerk

Official Title

State of West Virginia
County of Barbour
City of Belington, To-Wit:

I, Richard Cox solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of

Ward I Council

for the CITY OF BELINGTON to the best of my skill and judgment:

SO HELP ME GOD.

Richard L Cox

Subscribed and sworn before me, in said County of Barbour and State of West Virginia, this 1st day of April, 2011.

Susan Bradley

City Clerk

Official Title

State of West Virginia
County of Barbour
City of Belington, To-Wit:

I, Max Grove solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of

Ward II Council

for the CITY OF BELINGTON to the best of my skill and judgment:

SO HELP ME GOD.

Subscribed and sworn before me, in said County of Barbour and State of West Virginia, this 28th day of March, 20 11.

Susan Bradley

City Clerk

Official Title

State of West Virginia
County of Barbour
City of Belington, To-Wit:

I, Sonny Moore solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of

Watd III Council

for the CITY OF BELINGTON to the best of my skill and judgment:

SO HELP ME GOD.

Sonny Moore

Subscribed and sworn before me, in said County of Barbour and State of West Virginia, this 28th day of March, 2011.

Susan Bradley

City Clerk

Official Title

State of West Virginia
County of Barbour
City of Belington, To-Wit:

I, Marshall Reed solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of

Council Member

for the CITY OF BELINGTON to the best of my skill and judgment:

SO HELP ME GOD.

Marshall L Reed

Subscribed and sworn before me, in said County of Barbour and State of West Virginia, this 2nd day of April, 2013.

Susan Bradley

City Clerk

Official Title

State of West Virginia
County of Barbour
City of Belington, To-Wit:

I, Thomas Yocum solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of

Ward IV Council

for the CITY OF BELINGTON to the best of my skill and judgment:

SO HELP ME GOD.

Subscribed and sworn before me, in said County of Barbour and State of West Virginia, this 1st day of April, 20 11.

Susan Bradley

City Clerk

Official Title

State of West Virginia
County of Barbour
City of Belington, To-Wit:

I, James Lawrence solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of

Council - Ward IV

for the CITY OF BELINGTON to the best of my skill and judgment:

SO HELP ME GOD.

James Lawrence

Subscribed and sworn before me, in said County of Barbour and State of West Virginia, this 1st day of April, 20 13.

Susan Bradley

City Clerk

Official Title

State of West Virginia
County of Barbour
City of Belington, To-Wit:

I, Debra Hutchison solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of

Ward 3

for the CITY OF BELINGTON to the best of my skill and judgment:

SO HELP ME GOD.

Debra Hutchison

Subscribed and sworn before me, in said County of Barbour and State of West Virginia, this 6 day of June, 20 13.

Susan Bradley

City Clerk

Official Title

02:51 PM MAY 08 2013 PSC EXEC SEC DIV

AN ORDINANCE OF THE CITY OF BELINGTON, WEST VIRGINIA, AMENDING THE ORDINANCE OR RATE SCHEDULE, ESTABLISHING A REVISED SCHEDULE OF JUST AND EQUITABLE RATES, FOR THE SERVICE AND FACILITIES FURNISHED THE CUSTOMERS OF THE WATER DISTRIBUTION SYSTEM OF THE CITY OF BELINGTON, WEST VIRGINIA.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON that the water rate schedule established for the customers of the water system of the City of Belington be amended to reflect the following new rates: a going level rate increase generally being a percentage increase of 9.50% effective for each class of customers effective 45 days from passage; and a pro forma rate increase generally being an additional percentage increase of 5.40% upon substantial completion of the City of Belington Water Tank Improvements Project (IJDC # 2012W-1315).

SECTION 1. GOING LEVEL TARIFF.

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE .

Available for general domestic, commercial and industrial and sale for resale water service.

RATES

First 2,000 gallons used per month	$10.54 per 1,000 gallons
Next 4,000 gallons used per month	$9.24 per 1,000 gallons
Next 4,000 gallons used per month	$5.87 per 1,000 gallons
Next 40,000 gallons used per month	$2.93 per 1,000 gallons
All Over 50,000 gallons used per month	$2.83 per 1,000 gallons

MINIMUM BILL

Minimum monthly bill $21.08

MINIMUM CHARGE

5/8" inch meter	$21.08
3/4" inch meter	$31.62
1" inch meter	$52.70
1 1/4" inch meter	$76.94
1 1/2" inch meter	$105.40
2" inch meter	$168.64
3" inch meter	$316.20
4" inch meter	$527.00
6" inch meter	$1,054.00

8" inch meter	$1,686.40

RESALE RATE

$2.83 per 1,000 gallons.

RECONNECTION CHARGE

In addition to the requirements that all amounts in arrears, including penalties, be paid prior to reconnection, there shall be a reconnection charge of $25.00 during business hours (7:00 a.m. to 3:30 p.m.) and $50.00 at all other times, due and payable prior to reconnection.

TAP FEE

A tap fee will be charged for any new customers requesting service according to the size of the meter as follows:

½ inch, ⅝ x ¾ inch, and ¾ x ¾ inch	$350.00.
over ¾ inch	Cost to be determined based on time and materials involved.

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SECURITY DEPOSITS

A refundable security deposit of a sum equal to two twelfths of the average annual usage of the applicant's specific customer class, or $50, whichever is greater, shall be required of domestic, commercial, and industrial customers prior to being connected or reconnected. Said deposit will be refunded with interest (at a rate provided annually by the Public Service Commission) after 12 consecutive months of on-time payments.

LEAK ADJUSTMENT

$0.90 per M. gallons. To be used when a bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the City or a maximum of $30.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

SECTION 2. PRO FORMA TARIFF.

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE .

Available for general domestic, commercial and industrial and sale for resale water service.

RATES

First 2,000 gallons used per month	$11.11 per 1,000 gallons
Next 4,000 gallons used per month	$9.74 per 1,000 gallons
Next 4,000 gallons used per month	$6.19 per 1,000 gallons
Next 40,000 gallons used per month	$3.09 per 1,000 gallons
All Over 50,000 gallons used per month	$2.98 per 1,000 gallons

MINIMUM BILL

Minimum monthly bill $22.22

MINIMUM CHARGE

5/8" inch meter	$22.22
3/4" inch meter	$33.33
1" inch meter	$55.55
1 1/4" inch meter	$81.10
1 1/2" inch meter	$111.10
2" inch meter	$177.76
3" inch meter	$333.30
4" inch meter	$555.50
6" inch meter	$1,111.00
8" inch meter	$1,777.60

RESALE RATE

$2.98 per 1,000 gallons.

RECONNECTION CHARGE

In addition to the requirements that all amounts in arrears, including penalties, be paid prior to reconnection, there shall be a reconnection charge of $25.00 during business hours (7:00 a.m. to 3:30 p.m.) and $50.00 at all other times, due and payable prior to reconnection.

TAP FEE

A tap fee will be charged for any new customers requesting service according to the size of the meter as follows:

½ inch, ⅝ x ¾ inch, and ¾ x ¾ inch	$350.00.
over ¾ inch	Cost to be determined based on time and materials involved.

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SECURITY DEPOSITS

A refundable security deposit of a sum equal to two twelfths of the average annual usage of the applicant's specific customer class, or $50, whichever is greater, shall be required of domestic, commercial, and industrial customers prior to being connected or reconnected. Said deposit will be refunded with interest (at a rate provided annually by the Public Service Commission) after 12 consecutive months of on-time payments.

LEAK ADJUSTMENT

$0.90 per M. gallons. To be used when a bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the City or a maximum of $30.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

SECTION 3. SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this ordinance are separable, and if any clause provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a pre-adoption notice as a Class I legal advertisement (published once), at least five days before the hearing, in The Barbour Democrat, being a qualified newspaper of general circulation in the City of Belington, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before the Council of the City of Belington on May 2, 2013, at 7:00 P.M., and be heard on the subject, following which hearing, the Council of the City of Belington shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk , 505 Crim Avenue, Belington, West Virginia.

This ordinance shall take effect as follows: the going level rate increase will be effective 45 days

from passage; the pro forma rate increase will be effective upon substantial completion of the City of Belington Water Tank Improvements Project (IJDC # 2012W-1315).

Passed by Council on 1st Reading on this 4 day of April, 2013.

Public Hearing held on this 2 day of May, 2013.

Passed by Council on 2nd Reading on this 2 day of May, 2013.

By: Carlton E. Haller
Carlton Haller, Mayor

ATTEST: Susan Bradley
Susan Bradley, City Clerk

Council Minutes
April 4, 2013

The Common Council of the City of Belington met in regular session Thursday April 4, 2013 at 7:30 pm with Mayor Haller presiding.

Council attending: Max Grove, Richard Cox, Marshall Reed, James Lawrence, Suzanne Skidmore and William King.

Also attending: Susan Bradley, City Clerk; Keith Rowan, Police Chief; Johnny Williams, Street Commissioner; Don Harris, Water Commissioner and Building Permit Inspector; Samuel Lawrence and Beth Broschart, Elkins Inter-Mountain.

Roll Call

Mayor Haller led the pledge of allegiance and Street Williams offered the invocation.

Dan Pauley, representing Rural Community Assistance Program, appeared before council and recommended approval of Resolution # 7 relating to the wastewater project in the amount of $518,988.21. Councilman Reed made a motion to accept the recommendation of Pauley and approve Resolution # 7. Councilman Grove seconded the motion. Motion carried unanimously. Pauley reported city staff and engineers are providing necessary documents to project attorney enabling him to file certificate case with the Public Service Commission on the proposed water tank project. Pauley announced plans to retire on May 31 and expressed appreciation to Mayor, Council and city staff for their continued support of the Rural Community Assistance Program. Mayor and council expressed their appreciation to Pauley for technical assistance provided to the City on issues relating to wastewater and water issues.

Don Harris, Building Permit inspector, presented the following building applications:

Wayne West	322 High Street Estimated cost $ 695.00	enclosed car port
Rickey Sandridge	220 Locust Avenue Estimated cost $ 6,000	pole building

Ac ting upon the recommendation of building inspector, Councilman Reed made a motion to approve building applications as presented. Councilman Grove seconded the motion. Motion Carried.

Water Commissioner reported the following progress on the wastewater improvement project:

Contract # 1- Contractor completed the clarifier project and poured the floors for the control building.

Contract # 2- Contractor installed collection lines on River Street and encountered problems installing collection lines on Chestnut Street. Harris reported the 2013 GMC purchased with project funds was delivered today and the trailer mounted sewer cleaner is expected to be delivered on April 11. Harris noted the cleaner will be utilized for flushing lines with high pressure and removing debris from storm and sanitary sewer lines.

Street Commissioner Williams reported the public works department has been busy patching potholes and placing stone on streets. Williams advised city workers are sweeping the streets with brooms and shovels, and plan to clean up dirt and debris accumulated over the winter as their schedule permits. Williams noted once debris is removed, street sweeper will be used to clean them more efficiently. Williams requested consideration of a uniform standard when replacing street signs in the business district making the city more attractive. Williams

requested a meeting with the street department to review current regulations on encroachment permits and planting trees on city right of ways. Street Committee agreed to schedule a meeting with Commissioner Williams.

Police Chief Rowan tendered his resignation effective April 19, 2013. Rowan expressed his appreciation to the community for its support throughout his tenure and city council for giving him an opportunity to serve as Belington's police chief. Rowan thanked City Clerk Susan Bradley and Assistance Clerk Anita Thorne for their assistance and continued support. Council declined to consider the resignation until the next council meeting due to item not posted on agenda.

Councilman Reed made a motion to waive the reading of the March 21, 2013 council meeting minutes and approve as presented. Councilman King seconded the motion. Motion carried unanimously.

Councilman Reed made a motion to waive the reading of the March 25, 2013 special council meeting minutes and approve as presented. Councilman Grove seconded the motion. Motion carried unanimously.

OLD BUSINESS:
Council reviewed garbage complaints at corner of Brown Avenue and Jackson Street and 217 Serpel Avenue. Complaints were given to Police department for review.

Mayor advised the State Auditor's Office approved the budget for the fiscal year beginning July 1, 2013 and noted council must meet on April 16 to officially adopt the levy rates for property taxation.

NEW BUSINESS:

Mayor introduced the following ordinance for first reading: AN ORDINANCE OF THE CITY OF BELINGTON, WEST VIRGINIA, AMENDING THE ORDINANCE OR RATE SCHEDULE ESTABLISHING A REVISED SCHEDULE OF JUST AND EQUITABLE RATES, FOR THE SERVICE AND FACILITIES FURNSIHED THE CUSTOMERS OF THE WATER DISTRIBUTION SYSTEM OF THE CITY OF BELINGTON, WEST VIRGINIA.

Councilman Reed made a motion to read by title and section only due to members having a copy. Councilman Grove seconded the motion. Motion carried unanimously.

Councilman King made a motion to accept the first reading of the water rate ordinance as presented. Councilman Reed seconded the motion. Motion carried unanimously.

Councilwoman Skidmore made a motion to approve payment of invoices as presented. Councilman Cox seconded the motion. Motion carried unanimously.

Upon a motion of King and seconded by Grove, business licenses were approved for:

Windmeal Steak & Pizza House	1408 South Crim Avenue	Owner- Vanessa Runner
Sandy's Midtown Tavern	107 Bridge Street	Owner- Timothy Hogue

Motion carried unanimously.

Upon a motion of King and seconded by Grove, approving business license for Gold & Guns Pawn, LLC pending owner submits proof of state business registration. Motion carried unanimously.

Mayor Haller welcomed Ward I council member James Lawrence to council.

No further business appearing before council, Councilman King made a motion to adjourn at 8:25 pm Councilman Grove seconded the motion.

William L. King
MAYOR

Susan Bradley
ATTEST: CITY CLERK

Council Minutes
May 2, 2013

The Common Council of the City of Belington met in regular session on Thursday May 2, 2013 at 7:30 pm with Mayor Haller presiding.

Council present: Richard Cox, Max Grove, Marshall Reed, William King, Sonny Moore, James Lawrence and Suzanne Skidmore.

Also present: Susan Bradley, City Clerk; Anita Thorne, Assistant City Clerk; Don Harris, Water Commissioner/Building Permit Inspector; Johnny Williams, Street Commissioner; Sergeant D. J. Harris and Patrolman 1st Class Joshua Hymes, Belington Police Department; Terri Kittle, Belington On Trace Program; Skip Jackson, Chapman Technical Center; Linda Watson, Barbour County Resource Network; Beth Broschart, Elkins Inter-Mountain; Nettie Harper, Rural Community Assistance Program; Alan Coberly, Chairman of Belington Zoning Committee; Ryan Kennedy, Mary Beth Cox, Misty Lawrence and Mr. Keith Rowan.

Motion by Councilman Moore to approve agenda for May 2, 2013 council meeting. Motion seconded by Councilman King. Motion carried.

Nettie Harper presented Resolution # 8 for council's approval for payment of invoices related to wastewater project. Motion by Councilman Reed to approve resolution. Councilman Lawrence seconded motion. Motion carried.

Alan Coberly, Chairman of the Zoning Board, reported of Zoning Board meeting on April 1, 2013 in reference to a building permit for a cell tower, which had previously been denied by city council. Since specifications on height of tower exceeded footage allowed by zoning ordinance, Zoning Board has recommended the application be reviewed by the Belington Planning Commission. Motion by Councilman Reed to present application to Belington Planning. Motion was seconded by Councilman Grove. Motion carried.

Linda Watson, Barbour County Family Resource Network, appeared before council in reference to purposed youth activities presented to council at the April 18, 2013 council meeting. A fishing derby is scheduled for May 18, 2013 at the Belington Reservoir for ages 4 thru 18. Other activities include dances and movie nights, and the activities will be on city property. Motion by Councilwoman Skidmore to allow group to move forward with activity scheduling. Motion was seconded by Councilman Cox. Motion carried.

Terri Kittle, Belington Revilization Committee/On Trac Committee expressed gratitude for all volunteers, tools and cooperation during the annual clean up day on April 27, 2013. Mrs. Kittle advised council that the annual Belington Yard Sale has been scheduled for June 8, 2013. Mrs. Kittle also advised that grand opening of the Walking Trail and WV Birthday would be a combined celebration held on June 20, 2013 and is hoping to schedule various activities in the City Park on that day.

Richard Chambers, Pastor of Belington Nazarene Church, advised that his church has joined with North Central Community Action to provide breakfast and lunch to all children during a summer break through August 9, 2013. Mr. Chambers also called for

Mayor Haller's resignation due to the fact that he was living out of the city limits. There was heated discussion. No action taken.

Don Harris, Building Permit Inspector, presented the following building permit applications and recommended approval to council:

Larry Shahan	Chestnut Street Estimated cost $ 3, 150.00	storage building

Application was approved by motion of Councilman Reed and a seconded by Councilman King. Motion carried.

Councilman Grove inquired on status of Zirkle building permit application on Hoff Street which was transferred to the Buildings and Properties Committee for review. Councilman Grove was advised that the permit had been approved.

Don Harris, Water Commissioner, updated council on the progress of the wastewater project.

Johnny Williams, Street Commissioner, advised that Dogwood Tree Service had determined that a tree off of Shank Street should be taken down, and a cluster of trees off of Hoover Street and Elliott Avenue will be evaluated by Dogwood Tree Service. Street Commissioner asked council to look at maple tree at 306 Sturmer Street and determine if Dogwood Tree Service should give an opinion.

Sergeant D. J. Harris, Belington Police Department, commended Patrolman First Class Joshua Hymes for hours worked within past two weeks due to shortage in the Police Department.

Motion by Councilman Reed to approve April 18, 2013 council meeting minutes. Motion was seconded by Councilman King. Motion carried.

Councilman Grove reported that Ward IV Councilman Thomas Yocum had not attended last several council meetings and in his opinion, should submit his resignations to the city. Mayor Haller noted contacting Councilman Yocum about the issue, and due to his work schedule conflicting with council meetings, he has agreed to submit his resignation.

Councilman Grove requested a letter sent to Kyle Burke in reference to the condition of his burned out property on Hall Avenue.

Councilman Grove reported that Mr. Kittle is not making an effort to tear down house on his property, and therefore, city needs to advertise for bids to tear down property and seek advice on placing a lien on the property.

Councilman Grove advised of vehicles and old lawn mowers along Locust Avenue at the Truman Keene property. Police Department is aware of the issue and property owner has been directed to move the vehicles. Police department agreed to follow up on the complaint.

Councilman Grove inquired if Convention and Visitors Bureau had membership yet.

Mayor Haller advised that ads were published in local paper on two different occasions seeking volunteers and city received no response.

Councilman Grove advised that renters moved out of a property on South Sturmer Street belonging to Brett Strickland and left behind a large amount of trash. Sergeant Harris and Councilman Reed reported talking to property owner earlier today and gave a 24 hour notice to clean up trash, or city would have it hauled away at owner's expense.

Councilman Lawrence reported deterioration of Hal Bunner property at 204 Hoff Street and Jackson Street. City Office to send letters to property owners.

Mayor Haller presented Belington Water Rate Ordinance for final reading. Motion by Councilman Reed to accept Water Rate Ordinance and was seconded by Councilman Lawrence. Motion carried.

Councilman Grove inquired if Police Department has a policy for funeral escort detail. Sergeant D. J. Harris advised that requests for assistance with traffic control are honored if the officer's schedule allows. Mayor reported the street department has also assisted with traffic control for a funeral when officers are not available.

Councilman Grove inquired as to who is authorized to drive police cruisers and if former Police Chief Rowan is still on city payroll due to council rejecting his resignation at the the April 18, 2013 council meeting. Mayor explained that Rowan's resignation April 19, 2013 was a decision of Rowan and he is not on the city payroll. Council unanimously agreed that rejecting the resignation was only a sign of their support.

Councilman Grove questioned Mayor's authority to hire police officers without consent of the Police Committee. Mayor Haller reported due to resignation of Chief Rowan and Sgt Harris out on sick leave, he hired Ricky Hymes, a certified officer, to work part-time to provide coverage in the city until regular staff could return to work.

Motion by Councilman Reed to pay outstanding invoices. Motion seconded by Councilman Moore. Motion carried.

Councilman Grove reported two dance groups are using upstairs of City Hall at no charge and inquired who is paying the utilities for the facility. Councilman Grove explained that city has a rental policy for city properties and it should be utilized. Mayor explained he authorized usage of the upstairs due to area not being used and further stated in his opinion the community needs to show support for local activities.

Annual Clean-Up Week was discussed. Due to feasibility issue, motion by Councilman Reed to cancel this year's Clean-Up Week. Motion was seconded by Councilman Moore. Councilman Grove voted in opposition to the motion.
Roll Call Vote for canceling Clean up week:

Sonny Moore- Yes
Marshall Reed- Yes
James Lawrence- Yes
Suzanne Skidmore Yes
William King- No
Richard Cox No
Max Grove- No

Motion by Councilman Grove to enter into executive session at 9:40 pm for legal issues. Motion seconded by Councilman Reed. Motion carried.

Motion by Councilwoman Skidmore to reconvene regular session at 10:10 pm and motion was seconded by Councilman King. Motion carried.

Motion by Councilwoman Skidmore to table a matter that was discussed in executive session until May 16, 2013 council meeting. Motion was seconded by Councilman King. Motion carried.

Motion by Councilman Skidmore to adjourn meeting at 10:12 pm and was seconded by Councilman Grove.

William R. King
MAYOR

Anita Shane
CITY CLERK

pre-adoption

OFFICE OF THE BARBOUR DEMOCRAT

I, **John Eric Cutright,** Publisher of **The BARBOUR DEMOCI** published in the City of Philippi, County of Barbour, and S certify that the annexed:

LEGAL NOTICE

was duly printed in said paper one week commencing on Wednesday, the **17TH** day of **April, 2013**.

Given under my hand at Philippi, West Virginia, this **17TH**

_____, Publisher

Printer's Fee.....

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this **17TH** day of **Ap**

NOTARY PUBLIC

My Commission Expires May 16, 2022.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK K. DAWSON JR.
The Barbour Democrat LLC
113 Church Street
Philippi, West Virginia 26416
My Commission Expires May 16, 2022

PRE-ADOPTION NOTICE OF ORDINANCE INCREASING WATER RATES

CITY OF BELINGTON

Notice is hereby given that the City of Belington, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance, the principal object of which is the enactment of increases to the water rates for customers of the water system of the Town. The title of such ordinance is "AN ORDINANCE OF THE CITY OF BELINGTON, WEST VIRGINIA, AMENDING THE ORDINANCE OR RATE SCHEDULE, ESTABLISHING A REVISED SCHEDULE OF JUST AND EQUITABLE RATES, FOR THE SERVICE AND FACILITIES FURNISHED THE CUSTOMERS OF THE WATER DISTRIBUTION SYSTEM OF THE CITY OF BELINGTON, WEST VIRGINIA." The ordinance provides that the water rate schedule established for the water system of the City of Belington be amended to reflect the following new rates: a going level rate increase generally being a percentage increase of 9.50% effective for each class of customers effective 45 days from passage, and a pro forma rate increase generally being an additional percentage increase of 5.40% upon substantial completion of the City of Belington Water Tank Improvements Project (USDA#2012W-1315) as follows:

SECTION 1. GOING LEVEL TARIFF

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial and sale for resale water service.

RATES

First 2,000 gallons used per month	$10.54 per 1,000 gallons
Next 4,000 gallons used per month	$ 9.24 per 1,000 gallons
Next 4,000 gallons used per month	$ 5.87 per 1,000 gallons
Next 40,000 gallons used per month	$ 2.93 per 1,000 gallons
All Over 50,000 gallons used per month	$ 2.83 per 1,000 gallons

MINIMUM BILL

Minimum monthly bill	$ 21.08

MINIMUM CHARGE

5/8" inch meter	$ 21.08
3/4" inch meter	$ 31.62
1" inch meter	$ 52.70
1 1/4" inch meter	$ 79.04
1 1/2" inch meter	$ 105.40
2" inch meter	$ 168.64
3" inch meter	$ 316.20
4" inch meter	$ 527.00
6" inch meter	$1,054.00
8" inch meter	$1,686.40

RESALE RATE

$2.83 per 1,000 gallons

RECONNECTION CHARGE

In addition to the requirements that all amounts in arrears, including penalties, be paid prior to reconnection, there shall be a reconnection charge of $25.00 during business hours (7:00 a.m. to 3:30 p.m.) and $50.00 at all other times, due and payable prior to reconnection.

TAP FEE

A tap fee will be charged for any new customers requesting service according to the size of the meter as follows:

½ inch, 5/8x3/4 inch, and 3/4x3/4	$350.00
Over ¾ inch	Cost to be determined based on time And material involved.

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delay payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SECURITY DEPOSITS

A refundable security deposit of a sum equal to two (twelfths of the average annual usage of the applicant's specific customer class, or $50, whichever is greater, shall be required of domestic, commercial, and industrial customers prior to being connected or reconnected. Said deposit will be refunded with interest (at a rate provided annually by the Public Service Commission) after 12 consecutive months of on-time payments.

LEAK ADJUSTMENT

$0.90 per M gallons. To be used when a bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the City, or a maximum of $30.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

SECTION 2. PRO FORMA TARIFF

APPLICABILITY

OFFICE OF THE BARBOUR DEMOCRAT

post adoption

I, **John Eric Cutright**, Publisher of **The BARBOUR DEMOCRAT**, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed:

LEGAL NOTICE

was duly printed in said paper two consecutive weeks commencing on Wednesday, the **8TH** day of **May, 2013**.

Given under my hand at Philippi, West Virginia, this **15TH** day of **May, 2013**.

_____, Publisher _____

Printer's Fee.....$592.94

RECEIVED
13 JUN 12 AM 8:52
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this **15TH** day of **May, 2013**.

_____
NOTARY PUBLIC

My Commission Expires May 16, 2022.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK K. DAWSON JR.
The Barbour Democrat LLC
113 Church Street
Philippi, West Virginia 26416
My Commission Expires May 16, 2022

PUBLIC NOTICE OF CHANGE IN RATES

NOTICE is hereby given that the City of Belington, a public water utility, has adopted by ordinance on ay 2, 2013, a tariff containing increased rates, tolls and charges for furnishing water service to 950 total xisting customers (846 residential, 89 commercial, 5 Industrial, 9 public authority, and 1 resale) at and ear the City of Belington in County of Barbour.

The proposed increased rates and charges will become effective as follows: going level rate increase *enerally being a percentage increase of 9.50% effective for each class of customers effective 45 days from* assage; and a pro forma rate increase generally being an additional percentage increase of 5.40% upon ubstantial completion of the City of Belington Water Tank Improvements Project (UDC#2012W-1315), s follows:

SECTION 1. GOING LEVEL TARIFF.

PPLICABILITY
Applicable within the entire territory served.

VAILABILITY OF SERVICE
Available for general domestic, commercial and industrial and sale for resale water service.

RATES

irst 2,000 gallons used per month	$10.54 per 1,000 gallons
lext 4,000 gallons used per month	$ 9.24 per 1,000 gallons
lext 4,000 gallons used per month	$ 5.87 per 1,000 gallons
lext 40,000 gallons used per month	$ 2.93 per 1,000 gallons
ll Over 50,000 gallons used per month	$ 2.83 per 1,000 gallons

MINIMUM BILL
Minimum monthly bill $ 21.08

MINIMUM CHARGE

5/8" inch meter	$ 21.08
3/4" inch meter	$ 31.62
1" inch meter	$ 52.70
11/4" inch meter	$ 76.94
11/2" inch meter	$ 105.40
2" inch meter	$ 168.64
3" inch meter	$ 316.20
4" inch meter	$ 527.00
6" inch meter	$1,054.00
8" inch meter	$1,686.40

ESALE RATE
$2.83 per 1,000 gallons.

ECONNECTION CHARGE
In addition to the requirements that all amounts in arrears, including penalties, be paid prior to recon- ection, there shall be a reconnection charge of $25.00 during business hours (7:00 a.m. to 3:30 p.m.) and 50.00 at all other times, due and payable prior to reconnection.

AP FEE
A tap fee will be charged for any new customers requesting service according to the size of the meter s follows:

½ inch, 5/8x3/4 inch, and 3/4x3/4	*$350.00*
Over ¾ inch	Cost to be determined based on time and material involved.

ELAYED PAYMENT PENALTY
The above tariff is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will e added to the net amount shown. This delay payment penalty is not interest and is to be collected only nce for each bill where it is appropriate.

ECURITY DEPOSITS
A refundable security deposit of a sum equal to two twelfths of the average annual usage of the ap- licant's specific customer class, or $50, whichever is greater, shall be required of domestic commercial, nd industrial customers prior to being connected or reconnected. Said deposit will be refunded with terest (at a rate provided annually by the Public Service Commission) after 12 consecutive months of n-time payments.

EAK ADJUSTMENT
$0.90 per M. gallons. To be used when a bill reflects unusual consumption which can be attributed to igible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual onsumption above the customer's historical average usage.

ETURNED CHECK CHARGE
A service charge equal to the actual bank fee assessed to the City or a maximum of $30.00 will be nposed upon any customer whose check for payment of charges is returned by the bank due to insuf- cient funds.

ECTION 2. PRO FORMA TARIFF

PPLICABILITY
Applicable within the entire territory served.

VAILABILITY OF SERVICE
Available for general domestic, commercial and industrial and sale for resale water service.

ATES

First 2,000 gallons used per month	$11.11 per 1,000 gallons
Next 4,000 gallons used per month	$ 9.74 per 1,000 gallons
Next 4,000 gallons used per month	$ 6.19 per 1,000 gallons
Next 40,000 gallons used per month	$ 3.09 per 1,000 gallons
All Over 50,000 gallons used per month	$ 2.98 per 1,000 gallons

INIMUM BILL
linimum monthly bill $22.22

INIMUM CHARGE

5/8" inch meter	$ 22.22
3/4" inch meter	$ 33.33
1" inch meter	$ 55.55
1 ¼" inch meter	$ 81.10
1 ½" inch meter	$ 111.10
2" inch meter	$ 177.76
3" inch meter	$ 333.30
4" inch meter	$ 555.50
6" inch meter	$1,111.00
8" inch meter	$1,777.60

ESALE RATE
$2.98 per 1,000 gallons

RECONNECTION CHARGE
In addition to the requirements that all amounts in arrears, including penalties, be paid prior to recon- nection, there shall be a reconnection charge of $25.00 during business hours (7:00 a.m. to 3:30 p.m.) and $50.00 at all other times, due and payable prior to reconnection.

TAP FEE
A tap fee will be charged for any new customers requesting service according to the size of the meter as follows:

½ inch, 5/8x3/4 inch, and 3/4x3/4 inch	$350.00
over ¾ inch	Cost to be determined based on time and materials involved

DELAYED PAYMENT PENALTY
The above tariff is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SECURITY DEPOSITS
A refundable security deposit of a sum equal to two twelfths of the average annual usage of the ap- plicant's specific customer class, or $50, whichever is greater, shall be required of domestic, commercial, and industrial customers prior to being connected or reconnected. Said deposit will be refunded with interest (at a rate provided annually by the Public Service Commission) after 12 consecutive months of on-time payments.

LEAK ADJUSTMENT
$0.90 per M. gallons. To be used when a bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

RETURNED CHECK CHARGE
A service charge equal to the actual bank fee assessed to the City or a maximum of $30.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insuf- ficient funds.

The increases shown are based on averages of all customers in the indicated class. Individual cus- tomers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Com- mission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accom- panied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Vir- ginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any informa- tion requested concerning it, is available to all customers, prospective customers, or their agents at any of the following office of the utility: City of Belington, 505 Crim Avenue, Belington, West Virginia.

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

5-8,15

RECEIVED
13 JUN 12 AM 8:52
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

Sewer Rates amended in Case 10-0373-S-MA

CITY OF BELINGTON

AN ORDINANCE SETTING FORTH THE RATES, FEES AND CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF BELINGTON.

THE COUNCIL OF THE CITY OF BELINGTON HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for municipal sewerage services provided to all general domestic, commercial, and industrial users and customers of the City of Belington's Municipal Sewage Treatment Plant and Collection System, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

RULES AND REGULATIONS

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

SECTION 1 – TARIFF

SCHEULDE 1

APPLICABILITY

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES (Based upon volume of water used)

First	3,000	gallons used per month	$11.15	per 1,000 gallons
Next	3,000	gallons used per month	$8.24	per 1,000 gallons
Next	4,000	gallons used per month	$6.69	per 1,000 gallons
Next	10,000	gallons used per month	$5.35	per 1,000 gallons
Next	30,000	gallons used per month	$4.45	per 1,000 gallons
Over	50,000	gallons used per month	$3.78	per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than $33.45 per month.

SEWER TAP FEES

A $350.00 tap fee will be charged to any new customer requesting a tap of 4 inches in size, excluding paving removal, replacement and road borings. The tap fee is for all taps over 4 inches in size and shall be based upon the cost of time and materials involved.

DELAYED PAYMENT PENALTY

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

WATER DISCONNECT-RECONNECT-ADMINISTRATIVE FEES

If any bill is not paid within thirty (30) days after the date of bill, water service to the customer will be disconnected and will not be restored until all past due bills have been paid in full, together with all penalty charges, subject to applicable rules of the Public Service Commission of West Virginia.

Whenever water service has been disconnected for non-payment of sewer bills, there shall be a reconnection charge of $25.00 during business hours (7:00 a.m. to 3:30 p.m.) and $50.00 at all other times, due and payable prior to reconnection.

SECURITY DEPOSIT

A minimum cash deposit of $50.00 shall be required from each new customer to secure payment of bills. Said deposit will be refunded with interest (at a rate provided annually by the Public Service Commission) after 12 consecutive months of on time payments.

LEAK ADJUSTMENT RATE

The adjustment rate for leaks on the customer's side of the meter, for amounts above the customer's historical average usage, shall be sixty nine cents ($.69) per 1,000 gallons.

SCHEDULE 2

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE CITY'S SANITARY SEWER SYSTEM

APPLICABILITY

Where the City has discovered that a customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water has been connected to the City's sewer system, and such customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the City, in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times .0006233 \times C$$

S	=	The surcharge in dollars.
A	=	The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.
R	=	The measured monthly rainfall, in inches.

.0006233	=	A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
C	=	The City's approved rate per thousand gallons of metered water usage.

The City shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE 3

SURCHARGE FORMULA FOR USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci	=	Charge to unusual users per year.
Vo	=	Average unit cost of transport and treatment chargeable to volume, in dollars per gallon.
Vi	=	Volume of wastewater from unusual users in gallons per year.
Bo	=	Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound.
Bi	=	Weight of BOD from unusual users in pounds per year.
So	=	Average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound.
Si	=	Weight of total solids from unusual users in pounds per year.

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the City, should not be introduced into the sewer system, need not be handled by it. The results of

this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage service will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the City records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the City, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE 4

FORMULA FOR CERTAIN NON-METERED INDUSTRIAL PLANTS

Where the amount of sanitary discharged into the City's Wastewater Treatment System by certain industrial plant or plants cannot be accurately determined by the use of the plant's meter or meters, if any, a special formula will be used whereby such plant or plants will pay to the City a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SECTION 2 – TARIFF EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective forty-five (45) days after enactment, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 3 – SEVERABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are severable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4 – STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the *Barbour Democrat*,

a qualified newspaper of general circulation in the City of Belington, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on Thursday, February 18, 2010, at 7:30 p.m., which date is not less than ten (10) days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Belington, West Virginia.

First Reading: January 21, 2010

Second Reading
and Public Hearing: February 18, 2010

CITY OF BELINGTON, a municipal corporation

Mayor: Shawn J. Clark

Clerk: Anita VanDast Clerk

01.11.10

092017ALJ070110.wpd

PUBLIC SERVICE COMMISSION
OF STATE VIRGINIA
AT CHARLESTON

FINAL

7/21/2010

Entered: July 1, 2010

CASE NO. 09-2017-S-CN

CITY OF BELINGTON, a municipally operated public sewer utility, Barbour County.

Application for a certificate of convenience and necessity to construct new wastewater treatment plant and for improvements to the wastewater collection system in the City of Belington.

CASE NO. 10-0373-S-MA

CITY OF BELINGTON, a municipally operated public sewer utility, Barbour County.

Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with *West Virginia Code* §24-2-4b.

RECOMMENDED DECISION

PROCEDURE

Case No. 09-2017-S-CN

On December 8, 2009, the City of Belington (Belington or Applicant), a municipally operated public sewer utility, filed an application with the Public Service Commission under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to construct a new wastewater treatment plant and for improvements to the wastewater collection system in the City of Belington. Belington has estimated that the project will cost approximately $7,735,000, to be funded with a $1,100,000 loan from the United States Department of Agriculture Rural Utilities Service (RUS); by a subsequent RUS loan in the amount of $1,750,000; a $1,788,000 RUS grant; a subsequent $1,205,000 RUS grant; a $1,250,000 loan from the West Virginia Infrastructure and Jobs Development Council (IJDC); and a $642,000 IJDC grant. Belington has proposed passing a rate ordinance that would increase rates by 181% to support the project.

On December 8, 2009, the Commission required that Belington publish the Notice of Filing once in a newspaper duly qualified under *Code* §59-3-1, *et seq.*, published and generally circulated in Barbour County, providing a 30-day protest period. The Notice of Filing provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application.

On December 31, 2009, Staff Attorney John Auville submitted the Initial Joint Staff Memorandum, attaching the December 22, 2009 Utilities and Engineering Divisions Initial Memorandum, prepared by Utilities Analyst Karen L. Buckley and Technical Analyst Lisa Bailey, indicating that, upon completing its investigation, Commission Staff would submit its final substantive recommendation.

On January 21, 2010, Belington filed an affidavit indicating that, on December 11, 2009, it had posted the Notice of Filing at its office, and that, on January 1, 2010, it had separately mailed the Notice of filing to each of its customers. Belington also attached a copy of a publication affidavit showing that the Notice of Filing was published on December 16, 2009, in *The Barbour Democrat*, a newspaper published and generally circulated in Barbour County.

On March 8, 2010, Staff Attorney Auville filed the Further Joint Staff Memorandum, acknowledging that Staff's final substantive recommendation was due on March 8, 2010, and indicating that Staff needed more time to make its final substantive recommendation. Mr. Auville estimated that Staff would file its final recommendation by March 22, 2010.

On March 18, 2010, the Commission received numerous petitions containing approximately 300 signatures, opposing the proposed project.

On March 22, 2010, Staff Attorney Auville filed the Final Joint Staff Memorandum, indicating that Belington recently had passed a rate ordinance and that the Commission had obtained jurisdiction over a municipal appeal of the rate ordinance, which he referred to as Case No. 10-0373-S-MA. For this reason, Mr. Auville requested that the municipal appeal be consolidated with the certificate application and that Staff's due dates and the decision due dates in each case be made the same. Mr. Auville also filed a motion to this effect on March 22, 2010.

Case No. 10-0373-S-MA

On or about February 18, 2010, Belington adopted an ordinance increasing rates and charges for providing sewer service, to become effective on April 4, 2010. On March 19, 2010, the Commission received a petition signed by not less than 25% of Belington's customers, protesting the rate ordinance. By the Commission Order Suspending Rates and Referring to Administrative Law Judge, entered on March 19, 2010, the Commission made Belington a party respondent to the municipal appeal proceeding, i.e., Case No. 10-0373-S-MA, and, pursuant to the protests and pursuant to the provisions of *Code* §24-2-4b, the Commission suspended the proposed rates and charges contained in the rate ordinance and deferred the use of those rates and charges until 12:01

a.m., August 2, 2010. The March 19, 2010 Order also required that Commission Staff file its final substantive recommendation and reports on or before May 19, 2010, and referred the matter to the Division of Administrative Law Judges (ALJ Division) for decision no later than July 2, 2010.

On March 23, 2010, Staff Attorney Auville moved the Commission to consolidate Case Nos. 09-2017-S-CN and 10-0373-S-MA and extend the decision due date until July 2, 2010, in Case No. 09-2017-S-CN, so that the two cases could be investigated and considered together for hearing and decision.

On March 24, 2010, Belington indicated that Case Nos. 09-2017-S-CN and 10-0373-S-MA should be consolidated and moved the Commission to toll the statutory deadline in Case No. 09-2017-S-CN by 60 days to accommodate Staff's motion.

On March 26, 2010, Belington submitted a copy of a press release it had sent to *The Barbour Democrat* containing the substance of the proposed rate ordinance, which would increase annual revenues by approximately $308,351, or 184%. Belington had requested that *The Barbour Democrat* publish the news release as a Class II legal advertisement on February 24 and March 3, 2010, to give its customers notice of the proposed rate increase contained in the municipal rate ordinance. In conjunction therewith, on March 26, 2010, Belington filed a publication affidavit indicating that the Public Notice of Sewerage Rates of the City of Belington was published in *The Barbour Democrat* on February 24 and March 10, 2010. Belington also submitted an affidavit of posting, indicating that it had posted the notice of the rate increase at its office from February 19, 2010, through March 23, 2010.

On April 19, 2010, Staff Attorney Auville filed the Initial Joint Staff Memorandum in Case No. 10-0373-S-MA, attaching the April 16, 2010 Utilities Division Initial Memorandum, indicating that, once it had completed its investigation, Commission Staff would submit a final substantive recommendation on or before May 19, 2010, as ordered by the Commission.

Consolidated Proceeding

By the Commission Order entered on April 21, 2010, the Commission consolidated Case Nos. 09-2017-S-CN and 10-0373-S-MA; tolled the statutory deadline in Case No. 09-2017-S-CN until 12:01 a.m., August 2, 2010; extended the decision due date in Case No. 09-2017-S-CN until August 2, 2010; referred the consolidated proceeding to the ALJ Division for decision on or before July 2, 2010; and granted Commission Staff until May 19, 2010, to file its final substantive recommendation in this consolidated proceeding.

Responding to all of the above, by the Procedural Order issued on May 14, 2010, the Administrative Law Judge (ALJ) adopted a procedural schedule to process and resolve this consolidated matter, including a June 1, 2010 hearing date.

On May 19, 2010, Staff Attorney John Auville submitted the Final Joint Staff Memorandum, attaching the May 19, 2010 Utilities and Engineering Divisions' Final Recommendation in this matter, with several exhibits attached, including Staff-recommended rates to become effective prior to completion of the certificate project and Staff-recommended rates to become effect after the project has been substantially completed.

On May 25, 2010, Staff Attorney Auville submitted the Further Final Joint Staff Memorandum, attaching the Staff Rule 42 Exhibit in Case No. 10-0373-S-MA

On June 1, 2010, the ALJ convened the hearing as scheduled. Belington appeared at the hearing by counsel, Thomas R. Michael, Esquire. Commission Staff appeared by counsel, Staff Attorney John Auville, Esquire. Approximately 10 customers appeared at the hearing in person, *pro se*, to protest the project and rates.

Belington presented the testimony of three witnesses and presented four exhibits. Commission Staff presented the testimony of three witnesses and presented five exhibits. Four of the Protestant customers presented their testimony.

At the hearing, the parties waived their rights under *West Virginia Code* §24-1-9(b) to submit proposed findings of fact and conclusions of law or other written legal arguments.

On June 14, 2010, the reporter submitted an 86-page transcript and a one-page certificate that the transcript is a true and accurate record of the June 1, 2010 hearing.

EVIDENCE

The ALJ received as Applicant Exhibit No. 1 a publication affidavit indicating that the Public Notice of Sewerage Rates of the City of Belington was published on February 24, 2010, in *The Barbour Democrat*, a newspaper published and generally circulated in Barbour County. The ALJ received as Applicant Exhibit No. 2 a publication affidavit indicating that the Notice of Hearing was published on May 19 and 26, 2010, in *The Barbour Democrat*. (See, Applicant Exhibit Nos. 1 and 2).

Belington called its City Clerk, Susan Bradley, as its first witness. Ms. Bradley testified that the proposed sewer project will not add any customers. She identified a document, received as Applicant Exhibit No. 3, identifying several persons who signed the petition to protest the rate increase who either are not Belington's customers or whose signature duplicated another customer's signature, e.g., husband and wife signing separately. However, Belington is not opposing the Commission's asserted jurisdiction in the municipal appeal. Belington has over 800 customers and over 200 signed the petition protesting the rate ordinance. (Tr., pp. 13-15; Applicant Exhibit No. 3).

Ms. Bradley confirmed that Belington was making all reasonable efforts to collect sewer bills from all of its customers, including terminating water service and obtaining judgments and liens. The

biggest problem Belington has with regard to uncollectibles is where tenants will not pay their sewer bills and Belington cannot hold the property owners or landlords liable. She opined that Belington's uncollectibles would probably stay at their current level. (Tr., pp. 77-78).

Next, Gregory Belcher, P.E., testified on Belington's behalf. Mr. Belcher is Belington's project engineer as an employee of Chapman Technical Group for whom he has worked for 23 years. Mr. Belcher has reviewed all of the documents, reports and recommendations of Commission Staff. Mr. Belcher indicated that the only disagreement he and Belington have with Staff's recommendations is the amount Belington has proposed for operation and maintenance (O&M) expenses after the project is operational. He opined that Belington needed approximately $5,000 in additional revenues to cover O&M expenses, which would bring that item to approximately $10,000. The project will replace Belington's existing treatment plant, which has operated for about 40 years. The new plant will have many redundancies built in as backups for items that may need to be shut down for repair. Mr. Belcher opined that the labor costs will not increase much with the new plant, but believes that other operational costs will increase. (Tr., pp. 16-19).

Mr. Belcher briefly described the proposed new treatment plant, which he called an Orbal system, which is a three-cell oxidation facility. In addition to the built-in redundancy, which is a requirement of the Health Department, the new treatment plant will include ultraviolet treatment. The sludge will be transported to Elkins for disposal. He indicated that the new plant will have more instruments and controls to operate. (Tr., pp. 19-23).

The final witness who testified on Belington's behalf was Ralph Laton, C.P.A. Mr. Laton has worked in utility accounting for approximately 18 years. He prepared Belington's original Rule 42 Exhibit. He also prepared and identified Belington's revised Rule 42 Exhibit, received as Applicant Exhibit No. 4. He has reviewed all of Staff's filings and documents. Belington is not proposing anything different from Staff with regard to the pre-project rates. However, Belington disagrees with Staff with regard to the post-project rates. Mr. Laton opined that the amount of uncollectible bills will increase due to the rate increase once the project is operating. Revenue from delayed payment penalties may also increase, but not by as much as Staff has recommended in its filings. Mr. Laton does not believe that the Staff-recommended rates will generate enough revenue to cover O&M expenses once the project is operational and the post-project rates are assessed. Belington has averaged between approximately $10,000 and $12,000 in uncollectibles in the past five years. He believes the amount of uncollectibles will increase under the post-project rates. The bills will be larger under the post-project rates, so, if someone does not pay their bill, the amount of the delinquency will increase. Currently, uncollectibles represent about 7.2% of billings, which Mr. Laton acknowledged was a high percentage. He reasoned that, if the percentage stays the same, then 7.2% of the higher revenue amounts will increase the dollar amount of uncollectibles. He estimated that uncollectibles may be approximately $33,710 under the post-project rates. (Tr., pp. 23-29; Applicant Exhibit No. 4).

Commission Staff has adjusted uncollectibles down to approximately $800, which would be about 0.5% of the total billings. Mr. Laton does not believe that any utility collects 99.5% of the

amounts it bills its customers. Staff has increased the amounts to be collected with delayed payment penalties, which has the effect of decreasing rates. He believes that uncollectibles should likewise be increased. Also, higher rates will increase the amount that Belington has to pay the Commission in regulation assessments. He acknowledged that Staff does not agree with this assumption of his. In the Rule 42 Exhibits he prepared, Mr. Laton included the additional $5,000 in O&M expenses as recommended by the project engineer. (Tr., pp. 29-33).

Mr. Laton indicated that the rate ordinance only included one rate increase, not two rate increases as recommended by Staff. He agrees with this two-step approach. The rate ordinance was designed to collect approximately $308,000 in additional revenues annually. The rates contained in Applicant Exhibit No. 4 would generate additional annual revenues of approximately $281,217. Mr. Laton opined that Belington's revenues at going-level would be approximately $167,902, and would be approximately $449,119 under the ordinance, as modified in Applicant Exhibit No. 4. He believes that, since the rates will be increasing by about 167%, the uncollectibles will also increase. He believes that the percentage of uncollectibles will remain fairly constant. So, 7.2% of $449,119 would be nearly $33,000. He believes that rates should be sufficient to cover O&M expenses and debt service requirements even if 7.2% of the bills are uncollectibles. This is a cost to the utility that should be spread out among all of its customers. Mr. Laton does not know all of the practices which Belington incorporates to collect its sewer bills, but is aware that it can terminate water service for non-payment of sewer bills. He believes that Staff somehow was unaware of Belington's high percentage of uncollectibles and just used 0.5% as a rule of thumb. Mr. Laton believes that documented amounts should be considered. He acknowledged that the uncollectibles were higher in the test year than in previous years. (Tr., pp. 33-38; Applicant Exhibit No. 4).

Commission Staff called Lisa Bailey, a technical analyst who works in the Commission's Engineering Division, as its first witness. Ms. Bailey identified the Final Joint Staff Memorandum, dated May 19, 2010, with all of its attachments, which the ALJ received as Staff Exhibit No. 1. Ms. Bailey reviewed all of the documents, plans and specifications for the project, including cost estimates and alternatives to the project. She opined that the project is the alternative which best addresses Belington's needs. Belington's existing collection system is very old, possibly 100 years old, and the treatment plant is about 40 years old. They both have outlived their useful lives. The old treatment plant and the collection system have no redundancy built in. Redundancy is required not only for the plant, but also for the pump stations, i.e., each needs two pumps instead of just one. While Belington has not been cited by the West Virginia Department of Environmental Protection (DEP), its treatment facility exceeds permitted flows about 70% of the time. She spoke with a DEP representative who told her that Belington would be cited if it did not build the project. (Tr., pp. 39-42; Staff Exhibit No. 1).

Ms. Bailey testified that Belington has a serious problem with inflow and infiltration (I&I). Many of the pipes in the collection system are cracked and broken. Also, many of Belington's residences have their downspouts connected to the sewage collection system, which Belington needs to correct. Belington has many manhole covers that also permit I&I. The project will include new

collection pipes, new or upgraded pump stations and a new treatment plant, all of which will enable Belington to operate lawfully under its permit. (Tr., pp. 42-43).

Ms. Bailey opined that the additional $5,000 in O&M expenses that Belington believes it needs is unsubstantiated. She believes that, with the new treatment plant and improvements to the collection system, Belington's O&M will not increase substantially. If Belington properly operates the new plant and adopts a preventive maintenance program, O&M expenses may decrease. It appears to Ms. Bailey that Belington has duplicated some of the O&M expenses in its evaluation, which is why Staff has not included as much in O&M expenses as proposed by Belington. Ms. Bailey discussed this matter with Mr. Belcher, but he did not agree that he was duplicating O&M expense items. She clarified that Belington will need an increase in O&M expenses, but that increase should be around $5,000, not the $10,000 increased proposed by Belington. She based her estimate on her experience as a sewer plant operator prior to working for the Commission and her experience with the Commission with other utilities in similar situations as Belington. (Tr., pp. 43-47).

Next, Commission Staff presented the testimony of Joseph Marakovits, also a technical analyst for the Commission's Engineering Division. Mr. Marakovits prepared the engineering allocation factors for the customer class cost of service study done by Staff in the municipal appeal case. He identified those allocation factors as Attachment 1 to Staff Exhibit No. 1. He briefly described how those allocation factors are prepared. He indicated that the allocation factors are applied to the total cost of service so that each class of customers generates the revenue needed to cover the costs caused by that customer class. The cost of service includes O&M expenses, debt service coverage requirements and cash surplus to cover plant additions. By utilizing the engineering allocation factors, Staff is able to design rates that will generate the proper amounts of revenue from each customer class, so that no customer class subsidizes another. (Tr., pp. 47-51; Staff Exhibit No. 1, Attachment 1).

The final witness to testify for Staff was Karen Buckley, a utilities analyst. Ms. Buckley helped to prepare the Utilities and Engineering Divisions Final Recommendation, contained in Staff Exhibit No. 1, including the attached cash flow analysis. She also prepared the Staff Rule 42 Exhibit, received as Staff Exhibit No. 2. She prepared the Revenue Requirements, Class Cost of Service Study and Staff Recommended Rates, dated May 19, 2010, received as Staff Exhibit No. 3. She also prepared the Revenue Requirements, Class Cost of Service Study and Staff Recommended Rates, dated May 28, 2010, received as Staff Exhibit No. 4. Ms. Buckley estimated that the rate ordinance would increase revenues by approximately 191.7% and that the ordinance provided for an across-the-board 191.7% rate increase. The Staff-recommended pre-project rates will increase the monthly bill for a customer using 4,500 gallons of water from $15.74 per month to $18.80, or 15.9%. As water usage increases, the percentage of the rate increase also increases so that the customers using 500,000 gallons or more would experience a 30.1% rate increase under the Staff-recommended rates. For the first 3,000 gallons used, the existing rate is $3.83 per 1,000 gallons; the ordinance rate is $11.15 per 1,000 gallons; the Staff-recommended pre-project rate is $4.44 per 1,000 gallons; and the Staff-recommended post-project rate is $8.85 per 1,000 gallons. The Staff-recommended post-project rates

will increase the monthly billing for a customer using 4,500 gallons to $38.18. (Tr., pp. 52-53; Staff Exhibit Nos. 1, 2, 3 and 4).

Ms. Buckley clarified that Staff Exhibit No. 4 is a revised Staff Exhibit, which she prepared after discussing the financial records with Belington and reassessing her calculations. Also, Staff Exhibit No. 4 corrects some errors contained in Staff Exhibit No. 3. She also discovered some errors in Staff Exhibit No. 4, which she corrected with Staff Exhibit No. 5, which is one page and labeled Exhibit 4, Sheet 1 of 3, which is a rate comparison of the present rates, the rates contained in the ordinance, the Staff-recommended non-project rates and the Staff-recommended post-project rates. The corrections do not change Staff's recommendations for the rates; it just corrects some errors in comparison. The revisions were made because of incorrect information Ms. Buckley originally received from Belington. Basically, she revised the Staff-recommended revenue requirement to reflect the cost of the design loan, which is a permanent loan and will not be included in the funding for the project, as she originally thought. At going-level, Belington's rates generate approximately $171,779 in total available cash. The Staff-recommended non-project rates should generate $207,941 in total available cash, or an increase in revenue of approximately 15.9% above going-level. This would provide $19,996 for capital additions, including $4,911 from the renewal and replacement fund, and a debt service coverage ratio of 195.72%. The Staff-recommended post-project rates would generate approximately $418,561 in total available cash, or a total rate increase from going-level of approximately 135%, including $12,398 for capital additions, of which $10,327 would be generated from the renewal and replacement fund, and would provide a 115.4% debt service coverage ratio. The increase from the non-project Staff-recommended rates to the post-project Staff-recommended rates would be approximately 101%. (Tr., pp. 53-56; Staff Exhibit Nos. 1, 2, 3, 4 and 5).

Ms. Buckley described how she prepared the cost of service study. She first determined the total cost of service by reviewing Belington's financial books and records and other information provided by Belington and by Staff's Engineering Division. Then she applied the engineering allocation factors to determine the costs associated with each customer class. Then she designed rates that would generate the revenues from each customer class that best reflect the costs associated with each class. Ms. Buckley first determined the cost of service without the project and designed rates that would cover all O&M expenses and debt service requirements and provide a reasonable amount for capital additions and a reasonable debt service coverage ratio. Then she performed the same process to design rates to be charged once the project is operational. At going-level, Belington would experience a $37,285 cash deficit and a 78% debt service coverage ratio. Belington's current bonds require a debt service coverage ratio of at least 115%. (Tr., pp. 56-60; Staff Exhibit No. 5).

Ms. Buckley reviewed the total cost of the project, which is an estimated $7,735,000, or approximately $9,669 per customer, to be financed by a $1,100,000 RUS loan; by a subsequent $1,750,000 RUS loan; a $1,788,000 RUS grant; a subsequent $1,205,000 RUS grant; a $1,250,000 IJDC loan, and a $642,000 IJDC grant. (Tr., pp. 59-60; Staff Exhibit Nos. 1 and 2).

The Staff-recommended rates are significantly lower than those proposed by Belington. She addressed the uncollectibles issue. During the test year, Belington experienced approximately 13.7%

in uncollectibles, which is more than 1 out of every 10 customers. She agreed with the testimony of Mr. Laton that the uncollectibles for the previous four years were around $12,000. She asked Belington to provide some documentation to substantiate why its uncollectibles were so high, which Belington failed to do. So Staff decided to just use 0.5% for uncollectibles. She explained that, normally, the Utilities Division uses the three-year average for uncollectibles, which, for an average utility generally would be in the vicinity of 2.5% of total revenue. She believes that, with Belington's uncollectibles hovering around 7%, Belington is not doing all that it can do to collect sewer bills from all of its customers. If rates are designed to build in that much in uncollectibles, then the paying customers are subsidizing the non-paying customers, which, by Ms. Buckley's reasoning, would render those rates discriminatory. With regard to the Commission assessment, that is not a known and measurable amount, since the percentage of assessment varies from year to year. (Tr., pp. 60-63).

Ms. Buckley clarified that the Staff-recommended non-project rates would increase revenues by about 21.7% above going-level prior to the project. The Staff-recommended post-project rates would increase revenues by approximately 148% above going-level, or about an additional 104.2% above the non-project rates. In round figures, if the Staff-recommended rates are adopted, the revenues will increase by about 20% prior to the project and then be about doubled again once the project is operating. (Tr., pp. 63-68; Staff Exhibit Nos. 2, 4 and 5).

Ms. Buckley clarified that the $12,000 average level of uncollectibles is too high. The Staff-recommended rates only allow for a 0.5% of total revenue for uncollectibles, which would be around $1,000 under the non-project rates and around $2,000 under the post-project rates. She reiterated that she requested that Belington document the efforts it is making to collect those delinquent bills, and Belington provided no documentation. The Staff-recommended level of 0.5% for uncollectibles when no documentation is provided is "the rule of thumb." (Tr., pp. 68-71).

Ms. Buckley stated that, under the Staff-recommended rate design, customers who use a smaller amount of water will experience a smaller percentage of rate increase than customers who use a greater amount of water, although the rate per 1,000 gallons is less for the high-volume customers compared to the lower-volume customers. She acknowledged that the Staff-recommended post-project rates would rank Belington's sewer rates among the state's highest, while, currently, Belington's rates rank among the state's lowest rates. She clarified that Belington did receive favorable financing for the project when compared to other sewer projects. (Tr., pp. 71-76; Staff Exhibit Nos. 4 and 5).

One of Belington's customers, William Cross, testified that he collected the signatures that generated the municipal appeal. Many, if not most, of Belington's customers are retired or otherwise low-income customers who cannot afford a rate increase. He stated that he collected over 300 signatures. He could not help it if some people signed twice or a husband and wife both signed. However, he believes that the 25% threshold has been met to make this a proper municipal appeal. (Tr., pp. 79-80).

The administrator of the Barbour County Good Samaritan Center (Center), Mark Meslamb, testified that the Center is one of Belington's large water users. He does not understand why large-volume customers will receive a higher rate increase than residential customers. However, he supports the project and personally knows that the existing system needs to be replaced. He also believes that Staff is wrong to make the uncollectibles so low. He knows the rates need to increase, but he wants fair rates. (Tr., pp. 81-84).

Annie Ryan, another Belington customer, advocated lower rates for those low-income families. She testified that many people have to choose between paying for food, paying for medicine or paying for utilities. She believes that the project is needed. However, she believes that rates will get even higher, because the Staff-recommended rates will cause people to move out of Belington, which will reduce its customer base. If fewer ratepayers have to pay the same bills, each will have to pay more. She just does not believe the higher rates will help. (Tr., pp. 84-85).

Finally, Charles Bradley, a Belington customer, testified that the rate in the ordinance was too high. (Tr., p. 86).

DISCUSSION

Belington's existing sewer system is very old and is not functioning properly. Although it has not been cited yet, Belington is violating its sewage discharge permit about 70% of the time. If Belington does not build the project, it will be operating under a consent order from the DEP and possibly will be polluting the area. Its collection system suffers much I&I and neither the collection system nor the treatment plant has any redundancy built in, which means parts or all of the system has to be shut down to make repairs. The project's financing is reasonable and will provide all funds needed to complete the project. For these reasons, the public convenience and necessity require the project. The financing should be approved. Since Belington is operating at a $37,285 cash deficit and a 78% debt service coverage ratio, while its current bonds require a debt service coverage ratio of at least 115%, and since the Staff-recommended non-project rates will provide approximately $19,996 for capital additions, including $4,911 from the renewal and replacement fund, and a debt service coverage ratio of 195.72%, the Staff-recommended non-project rates should be approved. Likewise, since the project will increase the debt service requirements and the O&M expenses, and since the Staff-recommended post-project rates will cover the projected O&M expenses, including $12,398 for capital additions, of which $10,327 would be generated from the renewal and replacement fund, and would provide a 115.4% debt service coverage ratio, the Staff-recommended post-project rates should be approved.

While Belington's argument to increase the amount which Staff allowed for uncollectibles was somewhat convincing, Belington did not provide any documentation at hearing other than what Staff had to consider prior to the hearing. The ALJ is not adopting 0.5% for uncollectibles as a "rule of thumb" to follow in future cases. However, in this case, where the rates are going to increase from among the state's lowest to among the state's highest, the ALJ believes that the Staff-recommended rates are as high as the local economy will sustain. The point made by Ms. Ryan is very convincing,

i.e., if the rates get too high, people will move out of Belington and the customer base will shrink, which will lead to even higher rates in the future. The ALJ believes that it is prudent to adopt the Staff-recommended non-project and post-project rates. Also, since the need for approximately $5,000 more than Staff recommended for O&M expenses after the project is operational was not documented by Belington, it is not reasonable to approve that request by Belington.

As discussed above, the ALJ will grant the certificate, approve the financing, approve the Staff-recommended non-project rates and approve the Staff-recommended post-project rates.

FINDINGS OF FACT

1. The City of Belington filed an application with the Commission under *Code* §24-2-11 for a certificate of public convenience and necessity to construct a new wastewater treatment plant and for improvements to the wastewater collection system in the City of Belington, at an estimated cost of approximately $7,735,000, to be funded with a $1,100,000 RUS loan; by a subsequent $1,750,000 RUS loan; a $1,788,000 RUS grant; a subsequent $1,205,000 RUS grant; a $1,250,000 IJDC loan; and a $642,000 IJDC grant. The project has been approved by the IJDC. (See, December 8, 2009 application in Case No. 09-2017-S-CN; Tr., pp. 59-60; Staff Exhibit Nos. 1 and 2).

2. On or about February 18, 2010, Belington adopted an ordinance increasing rates and charges for providing sewer service, to become effective on April 4, 2010. On March 19, 2010, the Commission received a petition signed by not less than 25% of Belington's customers, protesting the rate ordinance. The Commission made Belington a party respondent to the municipal appeal proceeding and suspended the proposed rates and charges contained in the rate ordinance and deferred the use of those rates and charges until 12:01 a.m., August 2, 2010. (See, Order entered on March 19, 2010, in Case No. 10-0373-S-MA).

3. Belington published the Public Notice of Sewerage Rates of the City of Belington on February 24, 2010, in *The Barbour Democrat*, a newspaper published and generally circulated in Barbour County, and published the Notice of Hearing on May 19 and 26, 2010, in *The Barbour Democrat*. (See, Applicant Exhibit Nos. 1 and 2).

4. The proposed sewer project will not add any customers. (Tr., pp. 13-15).

5. Belington did not contest whether the Commission had jurisdiction over the municipal appeal. (See, Tr., pp. 13-15).

6. Belington is making reasonable efforts to collect sewer bills from all of its customers, including terminating water service and obtaining judgments and liens. Belington is hampered with regard to uncollectibles where tenants will not pay their sewer bills and Belington cannot hold the property owners or landlords liable. (See, Tr., pp. 77-78).

7. The only disagreement Belington has with Staff's recommendations is the amount Belington has proposed for O&M expenses after the project is operational, i.e., Belington wanted approximately $5,000 more than Staff recommended. Belington offered no documentation or other proof of the need for this additional amount. (See, Tr., pp. 16-19).

8. The project will replace Belington's existing treatment plant, which has operated for about 40 years. The new plant will have many redundancies built in as backups for items that may need to be shut down for repair. (See, Tr., pp. 16-19).

9. The proposed new treatment plant is called an Orbal system, which is a three-cell oxidation facility. In addition to the built-in redundancy, which is a requirement of the Health Department, the new treatment plant will include ultraviolet treatment. The sludge will be transported to Elkins for disposal. (See, Tr., pp. 19-23).

10. Belington did not propose anything different from Staff with regard to the pre-project rates. However, Belington disagreed with Staff with regard to the post-project rates, believing that Staff has grossly understated the uncollectibles, which average around $12,000 per year. Staff adjusted this amount to approximately $1,000 for the rates that will go into effect prior to the project and to about $2,000 for the post-project rates, which amounts to about 0.5% of total revenues. (See, Tr., pp. 23-29, 60-63, 68-71).

11. The rate ordinance only included one rate increase, not two rate increases as recommended by Staff. Belington agrees with this two-step approach. (See, Tr., pp. 33-38).

12. Staff reviewed all of the documents, plans and specifications for the project, including cost estimates and alternatives to the project and believes that the project is the alternative which best addresses Belington's needs. Belington's existing collection system is very old, possibly 100 years old, and the treatment plant is about 40 years old. They both have outlived their useful lives. The old treatment plant and the collection system have no redundancy built in. Redundancy is required not only for the plant, but also for the pump stations, i.e., each needs two pumps instead of just one. While Belington has not been cited by the West Virginia Department of Environmental Protection (DEP), its treatment facility exceeds permitted flows about 70% of the time. Staff confirmed with a DEP representative that Belington would be cited if it did not build the project. Staff recommended that the Commission grant the application and approve the financing. (See, Tr., pp. 39-42; Staff Exhibit No. 1).

13. Belington has a serious I&I problems. Many of the pipes in the collection system are cracked and broken. Also, many of Belington's residences have their downspouts connected to the sewage collection system, which Belington needs to correct. Belington has many manhole covers that also permit I&I. The project will include new collection pipes, new or upgraded pump stations and a new treatment plant, all of which will enable Belington to operate lawfully under its permit. (See, Tr., pp. 42-43).

14. With the new treatment plant and improvements to the collection system, Belington's O&M will not increase substantially. If Belington properly operates the new plant and adopts a preventive maintenance program, O&M expenses may decrease. Staff believes that Belington duplicated some of the O&M expenses in its evaluation, which is why Staff has not included as much in O&M expenses as proposed by Belington. (See, Tr., pp. 43-47).

15. Staff prepared engineering allocation factors for the customer class cost of service study in the municipal appeal case. Staff identified those allocation factors as Attachment 1 to Staff Exhibit No. 1 and briefly described how those allocation factors are prepared. By utilizing the engineering allocation factors, Staff is able to design rates that will generate the proper amounts of revenue from each customer class, so that no customer class subsidizes another. (See, Tr., pp. 47-51; Staff Exhibit No. 1, Attachment 1).

16. The rate ordinance would increase revenues by approximately 191.7% and provided for an across-the-board 191.7% rate increase. The Staff-recommended pre-project rates will increase the monthly bill for a customer using 4,500 gallons of water from $15.74 per month to $18.80, or 15.9%. As water usage increases, the percentage of the rate increase also increases so that the customers using 500,000 gallons or more would experience a 30.1% rate increase under the Staff-recommended rates. For the first 3,000 gallons used, the existing rate is $3.83 per 1,000 gallons; the ordinance rate is $11.15 per 1,000 gallons; the Staff-recommended pre-project rate is $4.44 per 1,000 gallons; and the Staff-recommended post-project rate is $8.85 per 1,000 gallons. The Staff-recommended post-project rates will increase the monthly billing for a customer using 4,500 gallons to $38.18. (See, Tr., pp. 52-53; Staff Exhibit Nos. 1, 2, 3 and 4).

17. At going-level, Belington would experience a $37,285 cash deficit and a 78% debt service coverage ratio. Belington's current bonds require a debt service coverage ratio of at least 115%. Belington's existing rates generate approximately $171,779 in total available cash. The Staff-recommended non-project rates would generate $207,941 in total available cash, and increase revenues by approximately 21.7% above going-level prior to the project. This would provide $19,996 for capital additions, including $4,911 from the renewal and replacement fund, and a debt service coverage ratio of 195.72%. The Staff-recommended post-project rates would generate approximately $418,561 in total available cash and would increase revenues by approximately 148% above going-level, or about an additional 104.2% above the non-project rates. The Staff-recommended post-project rates will provide $12,398 for capital additions, of which $10,327 would be generated from the renewal and replacement fund, and would provide a 115.4% debt service coverage ratio. (See. Tr., pp. 53-56, 63-68; Staff Exhibit Nos. 1, 2, 3, 4 and 5).

18. Staff prepared its cost of service study by determining the total cost of service by reviewing Belington's financial books and records and other information provided by Belington and by Staff's Engineering Division. Then Staff applied the engineering allocation factors to determine the costs associated with each customer class. Staff designed rates that would generate the revenues from each customer class that best reflect the costs associated with each class. Staff first determined the cost of service without the project and designed rates that would cover all O&M expenses, debt

service requirements and provide a reasonable amount for capital additions and a reasonable debt service coverage ratio. Then Staff performed the same process to design rates to be charged once the project is operational. (See, Tr., pp. 56-60; Staff Exhibit No. 5).

19. During the test year, Belington experienced approximately 13.7% in uncollectibles, which is more than 1 out of every 10 customers. Staff agreed that the uncollectibles for the previous four years were around $12,000. Staff asked Belington to provide some documentation to substantiate why its uncollectibles were so high, which Belington failed to do. So Staff decided to just use 0.5% for uncollectibles. Staff acknowledge that, normally, the Utilities Division uses the three-year average for uncollectibles, which, for an average utility generally would be in the vicinity of 2.5% of total revenue. Staff believes that, with Belington's uncollectibles hovering around 7%, Belington is not doing all that it can do to collect sewer bills from all of its customers. If rates are designed to build in that much in uncollectibles, then the paying customers are subsidizing the non-paying customers, which, by Staff's reasoning, would render those rates discriminatory. With regard to the Commission assessment, that is not a known and measurable amount, since the percentage of assessment varies from year to year. The Staff-recommended level of 0.5% for uncollectibles when no documentation is provided is "the rule of thumb." (See, Tr., pp. 60-63, 68-71).

20. Under the Staff-recommended rate design, customers who use a smaller amount of water will experience a smaller percentage of rate increase than customers who use a greater amount of water, although the rate per 1,000 gallons is less for the high-volume customers compared to the lower-volume customers. The Staff-recommended post-project rates would rank Belington's sewer rates among the state's highest, while, currently, Belington's rates rank among the state's lowest rates. Belington received favorable financing for the project when compared to other sewer projects. (See, Tr., pp. 71-76; Staff Exhibit Nos. 4 and 5).

21. Many of Belington's customers are retired or otherwise low-income customers who cannot afford a rate increase. (See, Tr., pp. 79-80).

22. One customer supports the project and personally knows that the existing system needs to be replaced and believes that Staff is wrong to make the uncollectibles so low. While that customer knows the rates need to increase, the rates should be fair to all customers. (See, Tr., pp. 81-84).

23. Another Belington customer advocated lower rates for low-income families, believing that many people have to choose between paying for food, paying for medicine or paying for utilities. She believes that the project is needed. However, that customer believes that rates will get even higher, because the Staff-recommended rates will cause people to move out of Belington, which will reduce its customer base. If fewer ratepayers have to pay the same bills, each will have to pay more. That customer does not believe the higher rates will help. (See, Tr., pp. 84-85).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.

2. The proposed financing for the project should be approved.

3. The Staff-recommended non-project rates for Belington are based primarily on the cost of service and are just and reasonable and are sufficient, but not more than sufficient, to cover Belington's O&M expenses and debt service requirements and provide a reasonable amount for capital additions and should be approved.

4. The Staff-recommended post-project rates for Belington are based primarily on the cost of service after the project is operational and are just and reasonable and are sufficient, but not more than sufficient, to cover Belington's O&M expenses and debt service requirements, provide a reasonable amount for capital additions, support the proposed project and should be approved.

5. Should the scope, plans or financing for the project change, Belington must obtain prior Commission approval before commencing construction. Changes in project costs do not require separate approval if those changes do not affect rates and Belington submits an affidavit from a certified public accountant to this effect.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on December 8, 2009, by the City of Belington, pursuant to *West Virginia Code* §24-2-11, to construct a new wastewater treatment plant and for improvements to the wastewater collection system in the City of Belington, be, and hereby is, granted.

IT IS FURTHER ORDERED that the project cost of approximately $7,735,000, to be funded with a $1,100,000 loan from the United States Department of Agriculture Rural Utilities Service; a subsequent $1,750,000 loan from the United States Department of Agriculture Rural Utilities Service; a $1,788,000 grant from the United States Department of Agriculture Rural Utilities Service; a subsequent $1,205,000 grant from the United States Department of Agriculture Rural Utilities Service; a $1,250,000 loan from the West Virginia Infrastructure and Jobs Development Council; and a $642,000 grant from the West Virginia Infrastructure and Jobs Development Council, be, and hereby is, approved.

IT IS FURTHER ORDERED that the rates and charges attached as Appendix A be, and hereby are, approved for all service rendered by the City of Belington on and after 12:01 a.m., August 2, 2010.

IT IS FURTHER ORDERED that, within 30 days of this Recommended Decision becoming final, the City of Belington file an original and at least five copies of a proper tariff setting forth the rates and charges hereby approved for use until the project is operational.

IT IS FURTHER ORDERED that the rates and charges attached as Appendix B be, and hereby are, approved for all service rendered by the City of Belington on and after the project hereby approved is operational.

IT IS FURTHER ORDERED that, within 30 days of filing the certificate of substantial completion, the City of Belington file an original and at least five copies of a proper tariff setting forth the rates and charges hereby approved for use once the project is operational.

IT IS FURTHER ORDERED that, should the scope, plans or financing for the project change, the City of Belington must obtain prior Commission approval before commencing construction. Changes in project cost do not require separate approval if those changes do not affect rates and the City of Belington submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that the City of Belington submit a copy of the bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that the City of Belington file the certificate of substantial completion from the project engineer as soon as it becomes available after the project engineer has performed the substantial completion inspection.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the City of Belington comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

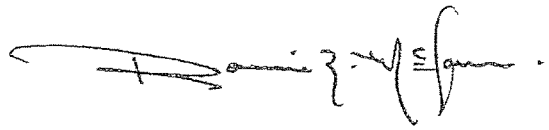
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery; by electronic service upon all parties of record who have filed an e-service agreement with the Commission; and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

Leave hereby is granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this Recommended Decision is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

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

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



Ronnie Z. McCann
Deputy Chief Administrative Law Judge

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
AT CHARLESTON

CASE NO. 09-2017-S-CN

CITY OF BELINGTON, a municipally operated public sewer utility, Barbour County.

Application for a certificate of convenience and necessity to construct new wastewater treatment plant and for improvements to the wastewater collection system in the City of Belington.

CASE NO. 10-0373-S-MA

CITY OF BELINGTON, a municipally operated public sewer utility, Barbour County.

Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with *West Virginia Code* §24-2-4b.

APPROVED NON-PROJECT RATES

SCHEDULE NO. 1

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial, and industrial.

RATES (customers with metered water supply)

First	3,000 gallons used per month	$4.44 per 1,000 gallons
Next	7,000 gallons used per month	$3.65 per 1,000 gallons
Next	10,000 gallons used per month	$2.39 per 1,000 gallons
Next	30,000 gallons used per month	$1.99 per 1,000 gallons
All Over	50,000 gallons used per month	$1.69 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than $13.32 per month.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $350.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SECURITY DEPOSIT

A deposit of $50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater. This fee may be changed by applicable statutory provisions.

LEAK ADJUSTMENT

$0.52 per 1,000 gallons is to be used when the bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE NO. 2

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE DISTRICT'S SANITARY SYSTEM

APPLICABILITY

Wherever the City of Belington has discovered that a customer's roof drain, downspout, storm sewer or similar facility conducting surface water has been connected to the City's sewer system, and such customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the City in accordance with the rules and regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times .006233 \times C$$

S = The surcharge in dollars

A = The area under roof and/or the area of any other water collecting surface connected to the sanitary sewer, in square feet

R = The measured monthly rainfall, in inches.

.000623 = A conversion factor to change inches of rain x square feet of surface to thousand of gallons of water

C = The Town's approved rate per thousand gallons of metered water usage.

The City of Belington shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the rules and regulations of the Public Service Commission of West Virginia.

SCHEDULE NO. 3

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi + NoNi$$

Ci = charge to unusual users per year
Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi = volume of wastewater from unusual users, in gallons per year
Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD), in dollars per pound
Bi = weight of BOD from unusual users, in pounds per year
So = average unit cost of treatment (including sludge treatment) chargeable to total solids, in dollars per pound
Si = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its waste, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the City of Belington, should not be introduced into the sewer system need not be handled by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the aforesaid investigation and an audit of the City of Belington records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user, or refund given by the City of Belington, as the case may be. Such audited figures shall then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment shall be made as aforesaid.

SCHEDULE NO. 4

FORMULA FOR CERTAIN NON-METERED INDUSTRIAL PLANTS

Where the amount of sanitary discharged into the Town of Belington Wastewater Treatment System by certain industrial plant or plants cannot be accurately determined by the use of the plant's meter or meters, a special formula will be used whereby such plant or plants will pay to the Town of Belington a sewer charge calculated at fifty (50) gallons of water per each employee at the plant working day.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
AT CHARLESTON

CASE NO. 09-2017-S-CN

CITY OF BELINGTON, a municipally operated public sewer utility, Barbour County.

Application for a certificate of convenience and necessity to construct new wastewater treatment plant and for improvements to the wastewater collection system in the City of Belington.

CASE NO. 10-0373-S-MA

CITY OF BELINGTON, a municipally operated public sewer utility, Barbour County.

Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with *West Virginia Code* §24-2-4b.

APPROVED PROJECT RATES

SCHEDULE NO. 1

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial, and industrial.

RATES (customers with metered water supply)

First	3,000 gallons used per month	$8.85 per 1,000 gallons
Next	7,000 gallons used per month	$7.75 per 1,000 gallons
Next	10,000 gallons used per month	$5.25 per 1,000 gallons
Next	30,000 gallons used per month	$4.25 per 1,000 gallons
All Over	50,000 gallons used per month	$3.50 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than $26.55 per month.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $350.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SECURITY DEPOSIT

A deposit of $50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater. This fee may be changed by applicable statutory provisions.

LEAK ADJUSTMENT

$0.83 per 1,000 gallons is to be used when the bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE NO. 2

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE DISTRICT'S SANITARY SYSTEM

APPLICABILITY

Wherever the City of Belington has discovered that a customer's roof drain, downspout, storm sewer or similar facility conducting surface water has been connected to the City's sewer system, and such customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the City in accordance with the rules and regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times .006233 \times C$$

S	=	The surcharge in dollars
A	=	The area under roof and/or the area of any other water collecting surface connected to the sanitary sewer, in square feet
R	=	The measured monthly rainfall, in inches.
.000623	=	A conversion factor to change inches of rain x square feet of surface to thousand of gallons of water
C	=	The Town's approved rate per thousand gallons of metered water usage.

The City of Belington shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the rules and regulations of the Public Service Commission of West Virginia.

SCHEDULE NO. 3

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi + NoNi$$

Ci = charge to unusual users per year
Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi = volume of wastewater from unusual users, in gallons per year
Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD), in dollars per pound
Bi = weight of BOD from unusual users, in pounds per year
So = average unit cost of treatment (including sludge treatment) chargeable to total solids, in dollars per pound
Si = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its waste, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the City of Belington, should not be introduced into the sewer system need not be handled by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the aforesaid investigation and an audit of the City of Belington records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user, or refund given by the City of Belington, as the case may be. Such audited figures shall then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment shall be made as aforesaid.

SCHEDULE NO. 4

FORMULA FOR CERTAIN NON-METERED INDUSTRIAL PLANTS

Where the amount of sanitary discharged into the Town of Belington Wastewater Treatment System by certain industrial plant or plants cannot be accurately determined by the use of the plant's meter or meters, a special formula will be used whereby such plant or plants will pay to the Town of Belington a sewer charge calculated at fifty (50) gallons of water per each employee at the plant working day.

pre adoption

OFFICE OF THE BARBOUR DEMOCRAT

I, **LARS O. BYRNE**, Editor of **The BARBOUR DEMOCRAT**, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed:

LEGAL NOTICE

was duly printed in said paper two consecutive weeks commencing on Wednesday, the **27th** day of **January, 2010.**

Given under my hand at Philippi, West Virginia, this **3rd** day of **February, 2010.**

Lars O. Byrne Editor

Printer's Fee.....$ **689.96**

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this **3rd** day of **February, 2010.**

Kelli L. Shomo
NOTARY PUBLIC

My Commission Expires February 5, 2017.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KELLI L SHOMO
The Barbour Democrat
113 Church Street, P.O. Box 459
Philippi, West Virginia 26416
My Commission Expires Feb. 5, 2017

NOTICE OF PUBLIC HEARING ON
CITY OF BELINGTON SEWER RATE ORDINANCE

A public hearing will be held on Thursday, February 18, 2010, at 7:30 p.m., prevailing time, on the following ordinance which was introduced on January 21, 2010. Any person interested may appear before the City Council of the City of Belington at the City Hall, Belington, West Virginia, and present any comment or protest thereto. Following which hearing City Council shall take such action as it shall deem proper.

* * * * *

CITY OF BELINGTON

AN ORDINANCE SETTING FORTH THE RATES, FEES AND CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF BELINGTON.

THE COUNCIL OF THE CITY OF BELINGTON HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for municipal sewerage services provided to all general domestic, commercial, and industrial users and customers of the City of Belington's Municipal Sewage Treatment Plant and Collection System, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

RULES AND REGULATIONS

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

SECTION 1 – TARIFF

SCHEULDE 1

APPLICABILITY

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES (Based upon volume of water used)

First	3,000	gallons used per month	$11.15 per 1,000 gallons
Next	3,000	gallons used per month	$ 8.24 per 1,000 gallons
Next	4,000	gallons used per month	$ 6.69 per 1,000 gallons
Next	10,000	gallons used per month	$ 5.35 per 1,000 gallons
Next	30,000	gallons used per month	$ 4.45 per 1,000 gallons
Over	50,000	gallons used per month	$ 3.78 per 1,000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than $33.45 per month.

SEWER TAP FEES

A $350.00 tap fee will be charged to any new customer requesting a tap of 4 inches in size, excluding paving removal, replacement and road borings. The tap fee is for all taps over 4 inches in size and shall be based upon the cost of time and materials involved.

DELAYED PAYMENT PENALTY

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

WATER DISCONNECT-RECONNECT-ADMINISTRATIVE FEES

If any bill is not paid within thirty (30) days after the date of bill, water service to the customer will be disconnected and will not be restored until all past due bills have been paid in full, together with all penalty charges, subject to applicable rules of the Public Service Commission of West Virginia.

Whenever water service has been disconnected for non-payment of sewer bills, there shall be a reconnection charge of $25.00 during business hours (7:00 a.m. to 3:30 p.m.) and $50.00 at all other times, due and payable prior to reconnection.

SECURITY DEPOSIT

A minimum cash deposit of $50.00 shall be required from each new customer to secure payment of bills. Said deposit will be refunded with interest (at a rate provided annually by the Public Service Commission) after 12 consecutive months of on time payments.

LEAK ADJUSTMENT RATE

The adjustment rate for leaks on the customer's side of the meter, for amounts above the customer's historical average usage, shall be sixty nine cents ($.69) per 1,000 gallons.

SCHEDULE 2

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE CITY'S SANITARY SEWER SYSTEM

APPLICABILITY

Where the City has discovered that a customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water has been connected to the City's sewer system, and such customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the City, in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times .0006233 \times C$$

S = The surcharge in dollars.

A = The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R = The measured monthly rainfall, in inches.

.0006233 = A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.

C = The City's approved rate per thousand gallons of metered water usage.

The City shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE 3

SURCHARGE FORMULA FOR USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci = Charge to unusual users per year.

Vo = Average unit cost of transport and treatment chargeable to volume, in dollars per gallon.

Vi = Volume of wastewater from unusual users in gallons per year.

Bo = Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound.

Bi = Weight of BOD from unusual users in pounds per year.

So = Average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound.

Si = Weight of total solids from unusual users in pounds per year.

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the City, should not be introduced into the sewer system, need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage service will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the City records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the City, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE 4

FORMULA FOR CERTAIN NON-METERED INDUSTRIAL PLANTS

Where the amount of sanitary discharged into the City's Wastewater Treatment System by certain industrial plant or plants cannot be accurately determined by the use of the plant's meter or meters, if any, special formula will be used whereby such plant or plants will pay to the City a sewer charge calculated [illegible] (50) gallons of water per each employee at the plant each working day.

SECTION 2 – TARIFF EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective forty-five (45) days after enactment, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 3 – SEVERABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are severable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4 – STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Barbour Democrat, a qualified newspaper of general circulation in the City of Belington, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on Thursday, February 18, 2010, at 7:30 p.m., which date is not less than ten (10) days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk, Belington, West Virginia.

First Reading: January 21, 2010

Second Reading and Public Hearing: February 18, 2010

CITY OF BELINGTON, a municipal corporation

Mayor: _____

Clerk: _____

* * * * *

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Belington held January 21, 2010, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Belington at the City Hall, Belington, West Virginia, on Thursday, February 18, 2010, at 7:30 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The City Council will then take such action as it shall deem proper. The proposed ordinance may be inspected by the public at the Office of the Clerk in the City Hall, Belington, West Virginia during regular office hours.

/s/ Susan Bradley
Clerk

1-27 2-3

OFFICE OF THE BARBOUR DEMOCRAT

I, **LARS O. BYRNE**, Editor of **The BARBOUR DEMOCRAT**, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed:

post adoption

LEGAL NOTICE

was duly printed in said paper two consecutive weeks commencing on Wednesday, the **24th** day of **February, 2010.**

Given under my hand at Philippi, West Virginia, this **3rd** day of **March, 2010.**

Lars O. Byrne, Editor

Printer's Fee.....$ **178.40**

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this **3rd** day of **March, 2010.**

Kelli L. Shomo
NOTARY PUBLIC

My Commission Expires February 5, 2017.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KELLI L SHOMO
The Barbour Democrat
113 Church Street, P.O. Box 459
Philippi, West Virginia 26416
My Commission Expires Feb. 5, 2017

OFFICE OF THE BARBOUR DEMOCRAT

I, **LARS O. BYRNE**, Editor of **The B/**
published in the City of Philippi, Cou
certify that the annexed:

LEGAL N(

was duly printed in said paper two cc
of **February, 2010**.

Given under my hand at Philippi, We

Lars O.

Printer's Fee.....

PUBLIC NOTICE OF SEWERAGE RATES OF
THE CITY OF BELINGTON

NOTICE is hereby given that the CITY OF BELINGTON (the "City") enacted an ordinance on February 18, 2010 containing rates and charges for furnishing sewerage service to 806 customers at Belington and vicinity, in Barbour County, West Virginia.

The proposed increased rates and charges will become effective 45 days from the date the ordinance was adopted, unless otherwise ordered by the Public Service Commission, and will produce approximately $308,351 annually in additional revenue, an increase of 184%. The average monthly bill for the various classes of customers will be changed follows:

TYPE OF CUSTOMER	($) INCREASE	INCREASE (%)
Domestic (4,000 gallons)	$27.37	191%
Commercial (4,000 gallons)	$27.37	191%
Industrial (4,000 gallons)	$27.37	191%

The City has no resale customers.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Public Service Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates and charges by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Public Service Commission a petition signed by not less than twenty-five percent (25%) of the customers served by the City's sewerage system; or

(2) Any customer who is served by the City's sewerage system and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Public Service Commission a petition alleging discrimination between customers within and without the City's boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the City's boundaries and who present a petition to the Public Service Commission alleging discrimination between said customer or group of customers and other customers of the City's sewerage system. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, Post Office Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the Clerk's Office at the City Hall, Belington, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, Post Office Box 812, Charleston, West Virginia 25323.

By /s/Susan Bradley
City Clerk

2-23 3-3

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this 3rd day of **March, 2010.**

Kelli L. Shomo
NOTARY PUBLIC

My Commission Expires February 5, 2017.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KELLI L. SHOMO
The Barbour Democrat
113 Church Street, P.O. Box 459
Philippi, West Virginia 26416
My Commission Expires Feb. 5, 2017

Council Minutes
September 5, 2013

The Common Council of the City of Belington met in regular session Thursday September 5, 2013 at 7:30 p.m. with Mayor King presiding.

Council attending: Marshall Reed, James Lawrence, Richard Cox, Max Grove, Debra Hutchison , David Hamrick and Sonny Moore.

Also attending: Susan Bradley, City Clerk, Anita Thorne, Assistant City Clerk; D. J. Harris, Police Chief; Don Harris, Water Commissioner and Building Permit Inspector; Mrs. Nettie Harper, Rural Water Community Assistance Program; Alan Coberly, Johnny Raschella, Richard Proudfoot, Richard Snider, Nancy Snider, Mark Riggleman, Matthew Riggleman, Robert Smithson, Attorney Jeffrey Kimble and Beth Broschart.

Roll Call

Mayor King led in the pledge of allegiance and a brief moment of silence was observed.

Upon a motion of Councilman Reed, seconded by Councilperson Hutchison, the September 5, 2013 agenda was approved as presented.

Mrs. Nettie Harper, representing Rural Community Assistance Program, presented Resolution # 12 relating to sewer improvement project and requested approval. Councilwoman Hutchison made a motion to approve Resolution # 12 as presented. Councilman Reed seconded the motion. Motion carried unanimously. Harper explained the preliminary start-up of the new wastewater plant is scheduled next week and contractor is removing sediments from storm sewer pipes on Crim Avenue noting cost of the maintenance will be paid with project funds.

Mrs. Harper reported a change in the scope of the water tank project relating to the west side storage tank. Harper noted the original plan called for repairing/restoring the tank in question and due to bids exceeding available funding a decision was made to resolicit bids for replacing the tank. Harper reported a pre-bid meeting is scheduled for Wednesday September 11 and bid opening is Thursday September 26.

Attorney Jeffrey Kimble , representing Verizon on the cell tower proposal, was present to explain the cell tower project and answer questions from Council. Kimble presented council a Verizon coverage map and explained construction of the tower would correct the problem where there is gaps of coverage. Kimble reported the cell phone provider

obtained necessary permits from FCC to construct the tower and are waiting on city's approval to proceed.

Mrs. Nancy Snyder appeared before council in opposition to the cell tower project. Snyder voiced her concerns on the proposed location of the cell phone tower and decrease in value of her property if the permit is granted. Snyder explained she was not made aware of Verizon's plans to construct a tower when she applied for a building permit. Snyder opinioned the intent of a city enacting a zoning ordinance is to protect property values and inquired of Verizon's attorney why cell phone provider did not proceed with the cell tower project when granted a permit. Attorney Kimble explained the proposed tower is one of four towers planned for the area and all were constructed except for the one in question and noted each tower is necessary to assure coverage. Snyder expressed her appreciation to members of the zoning board and planning commission for visiting the project site and the work involved by the committees on the project. Snyder appealed to members of council to reject the tower project.

Mrs. Terri Kittle on behalf of Belington Revitalization Committee appeared before council and spoke of the upcoming Fall Festival planned for September 20- 22. Kittle briefed on planned activities and encouraged city leaders attend and support the event. Kittle noted the Committee is planning to bring back the annual community fair beginning in 2014 providing community supports the plan. Kittle reported working with electrician to provide additional electrical outlets at City Park to install decorations for arrival of the Polar Express Excursion train. Kittle reported the line of credit for the pedestrian trail project expires on September 17 and city may want to renew for 90 days if project is not finalized within a few days. Kittle advised the Department of Highways granted permission to close streets during the fall festival parade. Kittle noted the Committee is also requesting permission from city to close Crim Avenue from Bridge Street to Watkins Street on September 21 from 2:00 pm to 5:00 pm making it safe for all who participate and attend the festival.

Don Harris, Building Inspector, presented the following building application:

Truman Keene	Locust Avenue estimated cost $ 500.00	storage building

Acting upon the recommendation of building inspector, Councilman Reed made a motion to approve building application. Councilman Lawrence seconded the motion. Motion carried unanimously.

Police Chief Harris reported Probationary Officer Harris started classes at the training academy on August 26 and officer's schedule have been changed to assure the school zone and bus loading areas are monitored. Chief reported both he and Mayor responded to a reduction-in-force request on the COPS Hiring Program Grant and are waiting on a response. Chief Harris reported the department addressed complaints given them by Council on city ordinances violations and explained violations were corrected or citations were issued. Harris informed council his 90-day probationary period as Police Chief will soon expire and he would like to address his recommendations given to council at an earlier meeting.

Councilman Reed made a motion to waive reading of the August 15, 2013 council meeting minutes due to members having a copy and approve as presented. Councilwoman Hutchison seconded the motion. Motion carried.

OLD BUSINESS:

Council Committee Reports- There was none.

Alan Coberly, Chairman of the Zoning Board of Appeals, appeared before council and presented a letter on the findings of the Board on an application to construct a cell phone tower in a residential area.

Councilman Reed made a motion to disapprove the findings of the Zoning Board of Appeals on the cell tower project. Councilman Cox seconded the motion.

Councilman Cox read a letter addressed to council from Ward IV Councilwoman Skidmore on the cell tower issue. Skidmore explained she was unable to attend meeting due to attending a required training class however she would like the record to show she is opposed to the cell phone tower project.

After reviewing city zoning ordinance on the special permit issue, Councilman Reed withdrew his motion.

Councilman Reed made a motion to deny the application to construct a cell phone tower in a residential area. Councilman Cox seconded the motion.

Roll Call Vote:

Moore, Reed, Lawrence, Grove, Hamrick, Cox, Hutchison voted to reject the application

Motion carried unanimously.

Councilman Grove and Mayor King expressed the City Council's thanks and appreciation to all of the volunteers for their service on the Planning Commission and Zoning Board and for their work on the cell phone tower issue.

NEW BUSINESS:

Attorney John Stump, Steptoe & Johnson, came before council and introduced Bond Ordinance authorizing the acquisition and construction of extensions, additions, betterments and improvements to the water portion of the existing public combined waterworks and sewerage system of the City of Belington and the financing of the cost, not otherwise provided thereof through the issuance by the city of not more than $1,000,000 in aggregate principal amount of combined waterworks and sewerage system revenue bonds, Series 2013 A (West Virginia Infrastructure Fund); providing for the rights and remedies of and security for the registered owners of such bonds; authorizing execution and delivery of all documents relating to the issuance of such bonds; approving, ratifying and confirming a loan agreement relating to such bonds; authorizing the sale and providing for the terms and provisions of such bonds and adopting other provisions relating thereto. Councilman Reed made a motion to approve the first reading of the bond ordinance. Councilwoman Hutchison seconded the motion. Motion carried unanimously.

The following business license applications were presented:

Hometown Properties LLC	Owner- William King	401 Cram Avenue
KNM LLC	Owner- William King	311 Crim Avenue
Jee'ster's	Owner- Gregory Lawrence	38 Morgantown Pike

Councilwoman Reed made a motion to approve business license for Hometown Properties LLC. Councilman Grove seconded the motion. Motion carried unanimously.

Councilman Reed made a motion to approve business license for KNM LLC. Councilwoman Hutchison seconded the motion. Grove opposed. Motion carried.

Councilman Reed made a motion to approve business license for Jee'ster's providing owner submits proof of state license. Councilman Grove seconded the motion. Motion carried unanimously.

Councilman Cox made a motion authorizing payment of September 5, 2013 expenditures as presented. Councilwoman Hutchison seconded the motion. Motion carried unanimously.

Mayor and Council Comments:

Councilman Grove presented request(s) for a speed limit sign on Willow Street and a street light on South Brandenburg Street. Request(s) given to Street Commissioner.

Councilman Grove, as a member of the Board of Parks and Recreation, shared his concerns on the long-term sustainability of parks and recreation in the city without additional funding. Grove explained the Board of Parks and Recreation was created by the city to assess park and recreation needs of the community and they have limited resources to provide recreation services. Grove noted with the increasing costs to maintain services, it is imperative the City prioritize funding for the operation and maintenance of recreation facilities. Grove challenged council members to review the financial issue and determine if General funds tax dollars are available to cover all or a portion of the cost of park and recreation services.

No further business appearing before council, Councilman Cox made a motion to adjourn at 9:05 pm Councilman Moore seconded the motion.

CITY OF BELINGTON
COUNCIL MINUTES
Sept. 19, 2013

The Common Council of the City of Belington met in regular session on Thursday, Sept. 19, 2013 at 7:30 pm with Mayor William King presiding.

Council present: Debra Hutchison, Richard Cox, James Lawrence, Max Grove, Marshall Reed, David Hamrick and Suzanna Skidmore.

Also present: Anita Thorne, Asst. Clerk; Don Harris, Water Commissioner/Building Permit Inspector; Johnny Williams, Street Commissioner; Chief Daniel J. Harris and Sgt.Josh Hymes, Belington Police Dept.; Mr. Dewayne White.

ROLL CALL
Prayer was led by Pastor Johnny Williams and Pledge of Allegiance was observed.

Agenda for September 19, 2013 council meeting was approved by motion of Councilman Reed and a second by Councilwoman Hutchison. Motion carried.

Don Harris, Building Permit Inspector, presented the following building permit applications:

Dewayne White	Hoover St.	Build porch roof and replace roof on house
Mr. David Anderson	Lee St.	Build porch roof on front of house

Building Permit Inspector recommended approval of Mr. White's application, and recommended denial of Mr. Anderson's application due to inadequate footage on front of property. Motion by Councilman Cox to approve Mr. White's application with a second by Councilwoman Skidmore. Motion carried. Motion to deny Anderson application by Councilman Cox and seconded by Councilwoman Hutchison.

Don Harris, Water Commissioner, advised council that the annual dam inspection had been completed and presented report of the conclusions.
Mr. Harris also advised council that a pre-bid meeting was held on Sept. 11, 2013 for the Water Tank Project, with bid opening being held on Sept. 25, 2013.
Mr. Harris also updated council on the progress of Wastewater Project.

Johnny Williams, Street Commissioner, advised council of a recommendation from Dogwood Tree Service from inspection of two trees on Highland Ave., and one tree on alley off of Hoover St.. Dogwood Tree Service recommended taking down one tree on Highland Ave., and a tree on alley off of Hoover St.. Street Commissioner advised that city crew had capabilities of removing tree on alley off of Hoover St. After discussion, motion by Councilman Grove with a second by Councilwoman Skidmore to contact Dogwood Tree service to remove one Maple tree on Highland Ave., and permit city crew to remove tree in alley off of Hoover St.. Motion carried. Street Commissioner also advised council that city crew is to begin patching holes in streets as soon as weather permits.
Councilman Grove inquired of shale washing into drains at Weese property on Brown Ave. Discussion. No action taken.

Chief D.J. Harris advised council of upcoming Annual Fall Fest Sept. 20, 2013 thru Sept. 22, 2013. Chief Harris updated on progress of Patrolman Tyler Harris, who is attending the WV State Police Academy.
After discussion, motion by Councilwoman Skidmore to sell Police Dept.'s 1999 Crown Vic to Charlies Used Cars. Motion was seconded by Councilwoman Hutchison. Motion carried. Chief Harris also presented 2 estimates for a new police cruiser.

Old Business: Mayor presented Water Tank Project Bond Ordinance for second reading. After reading by section and title, motion by Councilman Reed to approve second reading. Motion was seconded by Councilwoman Hutchison. Motion carried.

Discussion on progress of demolition of property at 507 Johnson Ave. Council requested for owner to attend October 3, 2013 council meeting for progress update.

Councilwoman advised that Finance Committee had met on Monday, Sept. 16, 2013 and requests that Fiscal Year 2012-2013 Budget Revisions be placed on Oct. 3, 2013 council meeting agenda.

Motion by Councilman Reed to extend line of credit through Freedom Bank for additional 90 days due to delay in work completion on the New Pedistrian Trail. Motion was seconded by Councilman Grove.

The following Business License application was presented to council: Appalachian Music & Trade Co. at 12 Greystone Court. Owner is Daniel P. Kittle. Motion by Councilwoman Skidmore to approve application. Motion was seconded by Councilwoman Hutchison. Motion carried.

Motion by Councilman Reed to pay outstanding invoices. Motion seconded by Councilman Cox. Motion carried.

Motion by Councilwoman Hutchison to approve Philip Barbour Homecoming Parade in Belington on Oct. 2, 2013. Motion seconded by Councilwoman Skidmore. Motion carried.

Mayor presented Shentel Cable Franchise Agreement for council's approval. After discussion, motion by Councilman Cox to approve franchise agreement for a period of five years. Motion was seconded by Councilman Lawrence. Motion carried.

Mayor and Council Comments:
Council and Mayor expressed gratitude that businesses are beginning to locate in Belington. Council also commended the efforts of the Street and Police Departments.

Mayor and Council extended appreciation to Weaver Church of the Nazarene for donating and planting the beautiful fall mums in city planters.

Meeting was adjourned at 8:30 pm by motion of Councilwoman Hutchison and a second by Councilman Lawrence.

COUNCIL MEETING

October 17, 2013

The Common Council of the City of Belington met in regular session Thursday, October 17, 2013 at 7:30 pm with Mayor William King presiding.

Council present: Richard Cox, Debra Hutchison, Marshall Reed, Max Grove, Suzanna Skidmore, David Hamrick and James Lawrence. Sonny Moore was absent.

Also present: Anita Thorne, Asst. City Clerk; Don Harris, Water Commissioner/Building Permit Inspector; Johnny Williams, Street Commissioner; Belington Police Chief ,Daniel J. Harris, and Patrolman Joshua Hymes; Ricky Hymes, Nettie Harper, RCAP; Jeff Ekstrom, Chapman Technical Group; Attorney John Stump, Steptoe and Johnson; Beth Broschart, Elkins Inter-Mountain; Melissa Pugh, Barbour Democrat; Mr. Jeff Broschart, and Mr.& Mrs. Rick Hymes, Sr.

Motion by Councilwoman Hutchison approving October 17, 2013 Council Meeting Agenda. Motion was seconded by Councilman Lawrence. Motion carried.

Mayor opened Public Hearing on City of Belington Water Tank Bond Ordinance. Due to lack of comments from public, Public Hearing was closed.

Jeff Ekstrom, Chapman Technical Group, advised council that bid openings for replacement of East and West water tanks were held, and both tanks are scheduled for replacement, with loan closing scheduled for November 14, 2013.

Don Harris, Bldg. Permit Inspector, presented the following building permit applications for council consideration and recommended approval on both:

Jeff Coffman	89 N. Brandenburg St.	Replace storage building
David Shelton	Laurel Mt. Road	Extension to woodshed

Motion by Councilman Reed to approve applications. Motion was seconded by Councilman Lawrence. Motion carried.

Don Harris, Water Commissioner, advised council the new wastewater plant is in operation. Mr. Harris also advised that employee James Swift has completed and passed the Class II Wastewater Operator Class.

Johnny Williams, Street Commissioner, advised that the new plow truck would be arriving in mid-November. Mr. Williams also advised that city is waiting for tree cutters to take down two trees on Elliott Ave. and is requesting that council approve to take down a tree on Highland Ave. Motion by Councilwoman Skidmore to allow dead tree on Highland Ave. to be taken down. Motion was seconded by Councilwoman Hutchison. Motion carried.

Police Chief D.J.Harris requested a motion from council to adjourn into executive session to discuss a personnel issue. Motion by Councilwoman Hutchison to adjourn into executive session at 7:40 pm. Motion was seconded by councilman Reed. Motion carried.

Council reconvened into regular session at 7:55 pm by motion of Councilwoman Hutchison and a second by Councilman Reed. Motion carried.

Chief Harris requested that Patrolman Joshua Hymes be promoted to the Sergeant position with the Belington Police Dept. Motion by Councilwoman Skidmore to promote Patrolman Joshua Hymes to the position of Sergeant. Motion was seconded by Councilwoman Hutchison. Motion carried.

Motion was made by Councilman Grove to create a Leutinant position to Belington Poilice Dept's. rank list, and pay rates to take place accordingly. Motion was seconded by Councilman Lawrence. Motion carried.

Motion by Councilwoman Skidmore to promote Daniel J. Harris to permanent position of Belington Police Chief. Motion was seconded by Councilman Reed. Motion carried.

Chief Daniel Harris requested that he and Sergeant Hymes be permitted to attend a two day seminar on Police Dept's. InSynch program. Seminar will take place Oct. 30 and 31, 2013.

Chief Daniel Harris also quoted prices on three new weapons for the Police Dept. and requested permission to purchase them.

Chief Daniel Harris also presented the following state codes for council consideration for adoption into city ordinances: Underage drinking: Distracted driving: and Use of a muffler cutout, bypass, or similar device upon a motor vehicle on a highway.

OLD BUSINESS

Attorney John Stump, Steptoe and Johnson Law Firm, presented City of Belington Water Bond Ordinance for third and final reading for the Belington Water Tank Project. Mr. Stump read the ordinance by section and title. Motion by Councilman Reed to approve Belington Water Bond Ordinance on third and final reading. Motion was seconded by Councilwoman Skidmore. Motion carried. Resolution to be presented at Nov. 7, 2013 council meeting.

Minutes of October 3, 2013 Council meeting were approved as presented by motion of Councilwoman Skidmore and a second by Councilman Lawrence. Motion carried.

NEW BUSINESS

Motion by Councilwoman Skidmore to set Trick-Or-Treat for City of Belington for October 31, 2013 between the hours of 6:00pm and 7:30pm. Motion was seconded by Councilman Lawrence.

Mayor presented a business license application for council's approval:

Mr. Liberty Connections 29 N. Crim Ave.

Motion by Councilman Reed approving the business license application. Motion was seconded by Councilwoman Skidmore. Motion carried.

Motion by Councilman Reed for payment of outstanding invoices. Motion was seconded by Councilman Grove. Motion carried.

Councilman Grove advised that he had received 2 separate bids for replacement of heating system in Belington Civic Center Gymnasium. Motion by Councilwoman Skidmore approving bid from Andy's Heating and A/C for replacement of two furnaces in the amount of $3,400.00. Motion was seconded by Councilwoman Hutchison. Motion carried.

MAYOR AND COUNCIL COMMENTS

Positive comments from council consisted of new businesses coming to town, new vehicles and equipment for our Police and Street Departments, a new heating system for the Belington Civic Center, the wonderful job by Tri-State and Breckenridge Corp. for work on new Wastewater Project, and the cooperation between Council and Mayor.

Mayor closed meeting by stating," The town is only as good as the people that are in it and the people that run it. The City of Belington has excellent workers, and there are no better around. I think the city will move forward. That's the only way it can go--forward."

Meeting was adjourned at 8:25 p.m.by motion of Councilwoman Hutchison and a second by Councilman Reed. Motion carried.

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

The undersigned CLERK of The City of Belington of hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Council:

*** *** ***

The Council of The City of Belington met in regular session, pursuant to notice duly posted, on the 7th day of November, 2013, in Barbour County, West Virginia, at the hour of 7:30 p.m.

PRESENT:
William King, Mayor
Susan Bradley, Clerk
Max Grove, Councilmember
James Lawrence, Councilmember
Debra Hutchison, Councilmember
Richard Cox, Councilmember
Marshall Reed, Councilmember
Suzanne Skidmore, Councilmember
Sonny Moore, Councilmember
David Hamrick, Councilmember
John Stump Steptoe & Johnson

ABSENT:
None.

William King, Mayor, presided, and Susan Bradley, acted as Clerk. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION,

INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND) OF THE CITY OF BELINGTON; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Debra Hutchison and seconded by David Hamrick, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Max Grove and seconded by Debra Hutchison, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Marshall Reed and seconded by James Lawrence, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

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

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of The City of Belington and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 13th day of November, 2013.

Susan Bradley

Clerk

OFFICE OF THE BARBOUR DEMOCRAT

I, **John Eric Cutright**, Publisher of **The BARBOUR DEMOCRAT**, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed:

LEGAL NOTICE

was duly printed in said paper two consecutive weeks commencing on Wednesday, the **2ND** day of **October, 2013**.

Given under my hand at Philippi, West Virginia, this **9TH** day of **October, 2013**.

_____, Publisher _____

Printer's Fee.....$121.07

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this **9TH** day of **October, 2013**.

Linnea Walters
NOTARY PUBLIC

My Commission Expires February 5, 2017.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LINNEA WALTERS
The Barbour Democrat
P.O. Box 459
Philippi, West Virginia 26416
My Commission Expires Oct. 16, 2023

THE CITY OF BELINGTON BOND ORDINANC

A public hearing will be held on the following titled Ordinance at a meeting of the Council of City of Belington (the "City") to be held on Thurs October 17, 2013, at 7:30 p.m. at the City Hall, ington, West Virginia, and at such hearing any pe interested may appear before the City and pre protests, and all protests and suggestions sha heard by the City and it shall then take such act as it shall deem proper in the premises upon ar dinance entitled:

THE CITY OF BELINGTON

ORDINANCE AUTHORIZING THE ACQUISI TION AND CONSTRUCTION OF EXTEN SIONS, ADDITIONS, BETTERMENTS AN IMPROVEMENTS TO THE WATER PORTIO OF THE EXISTING PUBLIC COMBINE WATERWORKS AND SEWERAGE SYSTE OF THE CITY OF BELINGTON AND TH FINANCING OF THE COST, NOT OTHER WISE PROVIDED, THEREOF THROUG THE ISSUANCE BY THE CITY OF NO MORE THAN $1,000,000 IN AGGREGAT PRINCIPAL AMOUNT OF COMBINED WA TERWORKS AND SEWERAGE SYSTE REVENUE BONDS, SERIES 2013 A (WES VIRGINIA INFRASTRUCTURE FUND); PRO VIDING FOR THE RIGHTS AND REMEDIE OF AND SECURITY FOR THE REGISTERE OWNERS OF SUCH BONDS; AUTHORIZIN EXECUTION AND DELIVERY OF ALL DOCU MENTS RELATING TO THE ISSUANCE O SUCH BONDS; APPROVING, RATIFYIN AND CONFIRMING A LOAN AGREEMEN RELATING TO SUCH BONDS; AUTHO RIZING THE SALE AND PROVIDING FO THE TERMS AND PROVISIONS OF SUC BONDS AND ADOPTING OTHER PROV SIONS RELATING THERETO.

The above quoted title of the Ordinance desc generally the contents thereof and the purpos the Bonds contemplated thereby. The City con plates the issuance of the Bonds described i Ordinance. The proceeds of the Bonds will be (i) to pay a portion of the costs of acquisition and struction of certain extensions, additions, better and improvements to the water portion of the ex public combined waterworks and sewerage syst the Issuer (the "Project"); and (ii) to pay certain of issuance hereof and related costs. The Bond payable only from the Net Revenues to be de from the operation of the System. No taxes m any time be levied for the payment of the Bon the interest thereon.

The above-entitled Ordinance was adopted b Council of The City of Belington on Septembe 2013. A certified copy of the above entitled nance is on file with the City for review by intere parties during regular office hours.

Following the public hearing, the City intends t act the Ordinance upon final reading.

/s/ Susan Bradle
Clerk

10-2,9

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 13-Nov-13

ISSUE: The City of Belington
Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A

ADDRESS: Post Office Box 926, Belington, West Virginia 26250 COUNTY: Barbour

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 13-Nov-13
CLOSING DATE: 13-Nov-13
ISSUE AMOUNT: $667,188
RATE: 1.00%
1ST DEBT SERVICE DUE: 1-Sep-15
1ST PRINCIPAL DUE 1-Sep-15
1ST DEBT SERVICE AMOUNT $5,252.97
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Freedom Bank
Contact: Sharon Ball
Phone: 304.823.1531

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Susan Bradley
Position: Clerk
Phone: 304.823.1611

OTHER:
Agency: West Virginia Infrastructure & Jobs Development Council
Contact: Jim Ellars
Position: Executive Director
Phone: 304.414.6501

DEPOSITS TO MBC AT CLOSE
By:
____ Wire
____ Check

____ Accrued Interest: $
____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By:
____ Wire
____ Check
____ IGT

____ To Escrow Trustee $
____ To Issuer $
____ To Cons. Invest. Fun $
____ To Other: ____ $

NOTES: The Series 2013 A Bonds Reserve Account to be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Freedom Bank, Belington, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Belington (the "Issuer") enacted by the Issuer on October 17, 2013, and a Supplemental Resolution of the Issuer adopted by the Issuer on November 7, 2013 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), dated November 13, 2013, in the principal amount of $667,188 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 13th day of November, 2013.

FREEDOM BANK

Authorized Officer SVP/CFO

062490.00005

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The City of Belington Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), dated November 13, 2013, in the principal amount of $667,188 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 13th day of November, 2013.

THE HUNTINGTON NATIONAL BANK

By:_____
Its: Authorized Officer

062490.00005

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF SERIES 2013 A BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bond issue of The City of Belington (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered The City of Belington Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), dated November 13, 2013, in the principal amount of $667,188, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 13th day of November, 2013.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

062490.00005

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 13th day of November, 2013, by and between THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $667,188 principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), dated the date hereof, in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted October 17, 2013, and a Supplemental Resolution of the Issuer duly adopted November 7, 2013 (collectively, the "Bond Legislation");

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

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

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

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

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

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen

signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

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

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

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

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

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

ISSUER: The City of Belington
P. O. Box 926
Belington, West Virginia 26250
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Bond Legislation.

9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

THE CITY OF BELINGTON

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

062490.00005

EXHIBIT A

Included in transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(see attached)

Huntington

Huntington Wealth Advisors
900 Lee Street - 2nd Floor | WE3013 | Charleston, West Virginia 253(

STATEMENT OF REGISTRAR'S FEES
Invoice Date November 13, 2013

The City of Belington
Account Number 6089001809

The City of Belington
Combined Waterworks and Sewerage
System Revenue Bonds, Series 2013 A
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT
****
FEE CALCULATION FOR November, 2013
****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

® and Huntington® are federally registered service marks of Huntington Bancshares Incorporated.

BELIN-1 OP ID: SS

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 07/23/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Commercial Insurance Services
340 MacCorkle Ave. Ste #200
Charleston, WV 25314
Brent J. Burton
Phone: 304-345-8000
Fax: 304-345-8014

CONTACT NAME:
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Atlantic Specialty Insurance	27154
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
City Of Belington
Susan Bradley
P. O. Box 926
Belington, WV 26250

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC			791-000-398-0002	07/01/2013	07/01/2014	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 500,000
							MED EXP (Any one person)	$ N/A
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 5,000,000
							PRODUCTS - COMP/OP AGG	$ 5,000,000
							Emp Ben.	$ 1,000,000
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			791-000-398-0002	07/01/2013	07/01/2014	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	UMBRELLA LIAB X OCCUR X EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 0			791-000-398-0002	07/01/2013	07/01/2014	EACH OCCURRENCE	$ 2,000,000
							AGGREGATE	$ 2,000,000
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					WC STATU-TORY LIMITS OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Certificate holder is named as additional insured as respects water project.

CERTIFICATE HOLDER

WVWDCHA

WV Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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PWSID: WV3300101

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313 CHARLESTON, WV 25301-3713
Telephone (304) 558-2981

PERMIT

PROJECT: (Water) East and West Tank Improvements **PERMIT NO.:** 19,154

LOCATION: Belington **COUNTY**: Barbour **DATE:** 11-19-2012

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

City of Belington
P. O. Box 926
Belington, West Virginia 26250

is hereby granted approval to: replace the existing 300,000 gallon East Tank with a new 547,000 gallon tank with a mixing system; rehabilitate the existing 500,000 gallon West Tank with major work to consist of adding a mixing system, blasting, repair and recoating of the interior and exterior.

Facilities are to serve the City of Belington.

Note: This permit is contingent upon the water storage tanks being disinfected, flushed and bacteriologically tested, prior to use.

The Environmental Engineering Division of the **OEHS-EED Philippi District Office, (304) 457-2296**, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:snj

pc: Chapman Technical Group
Amy Swann, PSC
Ingrid Ferrell, PSC
Barbour County Health Department
OEHS-EED Philippi District Office

Certification of Bidder Regarding Compliance with the
WV Jobs Act (SB 103) WV Code 21-1C-1

WV JOBS ACT REQUIREMENTS

(a) Contractors shall hire at least 75% of employees for the project from the local labor market (attached)
1) At least 2 employees from outside local labor market permissible for each employees

(b) Any employer unable to employ the minimum number of employees from the local labor market shall provide the nearest office of the Division of Employment Services, Bureau of Employment Programs the following:
1) The number of qualified employees needed; and
2) a job description of positions to be filled

(c) If, within 3 business days following the placing of the job order with the Division of Employment Services (the "Division"), the Division is unable to refer any qualified applicants to the employer or refers less qualified job applicants than the number requested, then the Division shall issue a waiver to the employer stating the unavailability of applicants and permit the employer to fill any positions covered by the waiver from outside the local labor market.

CONTRACTOR REQUIREMENTS

The contractor hereby agrees to the following:

(a) The contractor will comply with the Act and will file or cause to be filed with the WV Division of Labor and the Infrastructure Council copies of waiver certificates and certified payrolls as required by the Act, or other comparable documents that include the number of employees, the county and state where the employees reside and their occupation

(b) the contractor will follow the procedure established by the Division of Labor for efficient collection of the data;

(c) (c) the contractor will ensure that each subcontract for shall contain provisions conforming to the requirement of the Act

(d) the contractor will provide with each pay requisition a certification that the contract is in compliance with the Act

Name & Title of Signer (Please type) John Fox, President	
Signature: J. L. Fox	Date August 15, 2013

Rev. 2 April 2, 2003

Local Labor Market

The "West Virginia Labor Market" includes all counties in West Virginia and the following out-of-state counties:

KENTUCKY
Bath, Boyd, Bracken, Breatthitt, Carter, Clay, Elliott, Estill, Fleming, Floyd, Greenup, Harlan, Johnson, Knott, Lawrence, Lee, Leslie, Letcher, , Lewis, Magoefin, Martin, Mason, Menifee, Montgomery, Morgan, Nicholas, Owsley, Perry, Pike, Powell, Robertson, Rowan, and Wolfe.

MARYLAND
Allegany, Anne Arundell, Baltimore, Calvert, Carroll, Charles, Frederick, Garrett, Hartford, Howard, Montgomery, Prince George's, St Mary's and Washington.

OHIO
Adams, Ashtabula, Athens, Belmont, Brown, Carroll, Columbiana, Coshocton, Cuyahoga, Fairfield, Fayette, Franklin, Gallia, Geauga, Guernsey, Harrison, Highland, Hocking, Homes, Jackson, Jefferson, Lake, Lawrence, Licking, Mahoning, Medina, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pickaway, pike, Portage, Ross, Sciota, Stark, Summit, Thrumbull, Tuscarawas, Vinton, Washington and Wayne.

PENNSYLVANIA
Adams, Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clarion, Crawford, Cumberland, Dauphin, Fayette, Franklin, Fulton, Green, Huntingdon, Indiana, Jefferson, Juniata, Lawrence, Mercer, Mifflin, Perry, Somerset, Venango, Washington, Westmoreland, and York.

NORTH CAROLINA
Alleghany, Ashe, Avery, Caldwell, Forsyth, Mitchell, Rockingham, Stokes, Surry, Watuga, Wilkes and Yadkin.

TENNESSEE
Carter, Hawkins, Johnson, Sullivan, and Washington

VIRGINIA
Agusta, Alebemarle, Allegheny, Amherst, Arlington, Bath, Bedford, Botetour, Buckingham, Cambell, Carolina, Carroll, Clarke, Culpeper, Fairfax, Fauquier, Floyd, Fluvanna, Franklin, Federick, Giles, Grayson, Greene, Henry, Highland, King George, Lee, Loudon, Louisa, Madison, Montgomery, Nelson, Orange, Rage, Patrick, Pittsylvania, Prince William, Pulaski, Rappahannock, Roanoke, Rockbridge, Rockingham, Russell, Scott, Shenandoah, Spotsyvania, Staford, Smyth, Tazewell, Warren, Washington, and Wythe.

WASHINGTON D.C.
All counties

Certification of Bidder Regarding Compliance with the
WV Jobs Act (SB 103) WV Code 21-1C-1

WV JOBS ACT REQUIREMENTS

(a) Contractors shall hire at least 75% of employees for the project from the local labor market (attached)
1) At least 2 employees from outside local labor market permissible for each employees

(b) Any employer unable to employ the minimum number of employees from the local labor market shall provide the nearest office of the Division of Employment Services, Bureau of Employment Programs the following:
1) The number of qualified employees needed; and
2) a job description of positions to be filled

(c) If, within 3 business days following the placing of the job order with the Division of Employment Services (the "Division"), the Division is unable to refer any qualified applicants to the employer or refers less qualified job applicants than the number requested, then the Division shall issue a waiver to the employer stating the unavailability of applicants and permit the employer to fill any positions covered by the waiver from outside the local labor market.

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The contractor hereby agrees to the following:

(a) The contractor will comply with the Act and will file or cause to be filed with the WV Division of Labor and the Infrastructure Council copies of waiver certificates and certified payrolls as required by the Act, or other comparable documents that include the number of employees, the county and state where the employees reside and their occupation

(b) the contractor will follow the procedure established by the Division of Labor for efficient collection of the data;

(c) (c) the contractor will ensure that each subcontract for shall contain provisions conforming to the requirement of the Act

(d) the contractor will provide with each pay requisition a certification that the contract is in compliance with the Act

Name & Title of Signer (Please type) John Fox, President	
Signature J. R. Fox	Date September 25, 2013

Rev. 2 April 2, 2003

Local Labor Market

The "West Virginia Labor Market" includes all counties in West Virginia and the following out-of-state counties:

KENTUCKY
Bath, Boyd, Bracken, Breatthitt, Carter, Clay, Elliott, Estill, Fleming, Floyd, Greenup, Harlan, Johnson, Knott, Lawrence, Lee, Leslie, Letcher, , Lewis, Magoefin, Martin, Mason, Menifee, Montgomery, Morgan, Nicholas, Owsley, Perry, Pike, Powell, Robertson, Rowan, and Wolfe.

MARYLAND
Allegany, Anne Arundell, Baltimore, Calvert, Carroll, Charles, Frederick, Garrett, Hartford, Howard, Montgomery, Prince George's, St Mary's and Washington.

OHIO
Adams, Ashtabula, Athens, Belmont, Brown, Carroll, Columbiana, Coshocton, Cuyahoga, Fairfield, Fayette, Franklin, Gallia, Geauga, Guernsey, Harrison, Highland, Hocking, Homes, Jackson, Jefferson, Lake, Lawrence, Licking, Mahoning, Medina, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pickaway, pike, Portage, Ross, Sciota, Stark, Summit, Thrumbull, Tuscarawas, Vinton, Washington and Wayne.

PENNSYLVANIA
Adams, Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clarion, Crawford, Cumberland, Dauphin, Fayette, Franklin, Fulton, Green, Huntingdon, Indiana, Jefferson, Juniata, Lawrence, Mercer, Mifflin, Perry, Somerset, Venango, Washington, Westmoreland, and York.

NORTH CAROLINA
Alleghany, Ashe, Avery, Caldwell, Forsyth, Mitchell, Rockingham, Stokes, Surry, Watuga, Wilkes and Yadkin.

TENNESSEE
Carter, Hawkins, Johnson, Sullivan, and Washington

VIRGINIA
Agusta, Alebemarle, Allegheny, Amherst, Arlington, Bath, Bedford, Botetour, Buckingham, Cambell, Carolina, Carroll, Clarke, Culpeper, Fairfax, Fauquier, Floyd, Fluvanna, Franklin, Federick, Giles, Grayson, Greene, Henry, Highland, King George, Lee, Loudon, Louisa, Madison, Montgomery, Nelson, Orange, Rage, Patrick, Pittsylvania, Prince William, Pulaski, Rappahannock, Roanoke, Rockbridge, Rockingham, Russell, Scott, Shenandoah, Spotsyvania, Staford, Smyth, Tazewell, Warren, Washington, and Wythe.

WASHINGTON D.C.
All counties

IC-2
(03/11)

GRANT AGREEMENT
(2012W-1315)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), at the direction of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and THE CITY OF BELINGTON (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $652,187 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit B, unless the Council and Authority are provided replacement instructions in writing.

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

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

9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

THE CITY OF BELINGTON

By: _____
Its: Mayor
Date: November 13, 2013

(SEAL)

Attest: _____
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: November 13, 2013

(SEAL)

Attest: _____
Its: Authorized Officer

{C2699859.1}

Exhibit A

Project Description

The Project consists of replacement of one water storage tank and repair and paint a 2nd water storage tank.

Number of Proposed New Customers to Be Served: 0
Location: The City of Belington, Barbour County

[TO BE PLACED ON LETTERHEAD]

Exhibit B

Wiring Instructions

_____, 20__

The City of Belington
505 Crim Avenue
Belington, WV 26250

Payor:	**West Virginia Water Development Authority**
Source:	**Grant Proceeds**
Amount:	**$_____**
Date:	**_____**
Form:	**Electronic Funds Transfer**
Payee:	**The City of Belington** **505 Crim Avenue** **Belington, WV 26250**
Contact Name:	**_____**
Telephone:	**(304) _____**
Bank Name:	**Freedom Bank**
Bank Street Address:	**315 Crim Avenue, Belington, WV 26250**
Bank Contact:	**Sharon Ball**
Telephone:	**(304) 823.1531**
ABA:	**051504377**
Account #:	**324013**
Account:	**Series 2013 A Bonds Construction Trust Fund**

IC-AF-1

ADVANCED FUNDING ASSISTANCE AGREEMENT
(2012W-1315)

This Advanced Funding Assistance Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the CITY OF BELINGTON (the "Governmental Agency").

RECITALS

WHEREAS, pursuant to Section 10, Article 15A, Chapter 31 of the Code of West Virginia, as amended, the Council is authorized to provide advanced funding assistance to project sponsors for the purposes of paying for preapplication costs necessary to submit an application with the Council when the Council determines such costs impose an undue hardship on the project sponsor;

WHEREAS, the Council has found that the preapplication costs required to file an application with the Council imposes an undue hardship on the Governmental Agency;

WHEREAS, the Council has authorized the Authority to provide assistance to the Governmental Agency in the amount not to exceed $15,000 (the "Funding Assistance") for the purposes of defraying the expenses of the preapplication process;

WHEREAS, the Governmental Agency wishes to accept the Funding Assistance upon such terms and conditions as are hereinafter set forth for the purposes of defraying the expenses of the preapplication process (the "Preapplication Costs");

WHEREAS, this Funding Assistance Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Funding Assistance.

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

TERMS

1. Prior to the distribution of the Funding Assistance, the Governmental Agency shall provide the Authority with a Preapplication Cost budget. The Preapplication Cost budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Preapplication Costs from the Funding Assistance from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

3. The Governmental Agency will use the proceeds of the Funding Assistance only for the purposes of paying for Preapplication Costs.

4. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit A, unless the Council and Authority are provided replacement instructions in writing.

5. The Governmental Agency acknowledges that the Funding Assistance may be reduced, from time to time, to reflect actual Preapplication Costs and availability of other funding.

6. If the Council approves the project described in the application (the "Project") as being technically feasible and the Governmental Agency receives money to fund the Project (from the Council or any other source), the Governmental Agency shall reimburse the Council for the amount of the Funding Assistance from the permanent financing of the Project.

7. If the Council does not approve the Project as technically feasible or the Project does not receive financing and is not completed within 20 years, the Council may redesignate the Funding Assistance as a grant.

8. This Funding Assistance Agreement shall be governed by the laws of the State of West Virginia.

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

CITY OF BELINGTON

By: _____
Its: Mayor
Date: October 22, 2012

(SEAL)

Attest: _____
Its: Clerk

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: October 22, 2012

(SEAL)

Attest: _____
Its: Authorized Officer

{C2039895.1}

_____

_____

_____

Exhibit A

Wiring Instructions

_____

The City of Belington
PO Box 926
Belington, WV 26250

Payor:	**West Virginia Water Development Authority**
Source:	**Grant Proceeds**
Amount:	**$**
Date:	**_____, 20__**
Form:	**Electronic Funds Transfer**
Payee:	**The City of Belington**
Address:	**PO Box 926, Belington, WV 26250**
Contact:	SUSAN BRADLEY
Telephone:	**(304) 823-1611**
Bank Name:	FREEDOM BANK
Bank Street Address:	315 CRIM AVENUE
Bank Contact:	SHARON BALL
Telephone:	304 823-1531
Routing No.:	05 150 4377
Account No.:	324013
Account Name:	**Funding Assistance Trust Fund**

SWEEP RESOLUTION

WHEREAS, The City of Belington (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, Pursuant to Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee");

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, along with the MBC Fee, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) Mayor and Clerk are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 7th day of November, 2013.

William R. King
Mayor

Susan Bradley
Clerk

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **November 13, 2013**

Re: **The City of Belington**
505 Crim Avenue, Belington, West Virginia 26250
Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

---

1. DISBURSEMENTS TO THE CITY OF BELINGTON

A.

Payor:	West Virginia Infrastructure & Jobs Development Council
Source:	Series 2013 A Bonds
Amount:	$145,209.13
Form:	Wire
Payee:	The City of Belington
Bank:	Freedom Bank, 315 Crim Avenue, Belington, WV 26250
Routing No.	051504377
Account No.	324013
Contact:	Sharon Ball, 304.823.1531
Account:	Series 2013 A Bonds Construction Trust Fund

062490.00005

City of Belington
2012W-1315
(Tank Project)

RESOLUTION OF THE CITY OF BELINGTON APPROVING INVOICES RELATING TO PAYMENT WATER TANK PROJECTAND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the City of Belington, has reviewed the invoices attached hereto and incorporated herein by reference relation to the Project funded by the West Virginia Infrastructure and Jobs Development Council (IJDC) and find as follows:

a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.

b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.

c) That each of such costs has been otherwise properly incurred.

d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED the City of Belington by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	IJDC Loan	IJDC Grant
Steptoe & Johnson	25,000.00	25,000.00	0.00
Huntington Bank	500.00	500.00	0.00
Chapman Technical	95,750.00	95,750.00	0.00
Tom Michael	4,025.14	4,025.14	0.00
Ralph Laton	5,054.20	5,054.20	0.00
RCAP	4,000.00	4,000.00	0.00
City of Belington	10,879.79	10,879.79	0.00
Total	145,209.13	145,209.13	0.00

ADOPTED BY the City of Belington at the meeting held on November 7, 2013

City of Belington

By: William R King

Its: Mayor

State of West Virginia
WATER DEVELOPMENT AUTHORITY
1009 Bullitt Street, Charleston, WV 25301
(304)414-6500 – (304)414-0865 (Fax)
Internet: www.wvwda.org – Email: contact@wvwda.org

Date 11/12/13 Time 1:00 LGA City of Belington Program IJDC

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Sheila Miller	WDA	304-414-6500	304-414-0865	smiller@wvwda.org
Katy Mallory	Steptoe & Johnson	304 353 8000	304353-8181	katy.mallory@steptoe-johnson.com
Mike Stuart	Steptoe & Johnson	304 353 8000	304 353-8181	
Sammie Lee	Jackson Kelly PLLC	304 340 1318	304 340 1272	sglee@jackson-kelly.com

The Authority requests that they following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Susan Bradley, Clerk Telephone 304 - 823 - 1611 E-Mail

Address P.O. Box 926, Belington, WV 26250

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the Non-Arbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code 1986 as amended.

UNITED BANK
514 Market Street
Parkersburg, WV 26101-5144

Attn: Emma

OUTGOING WIRE TRANSFER FAX ADVICE

To: TRUST DEPT

In accordance with your instructions, we have DEBITED your account # **********5682.

Wire Amount: 145,209.13

Date & Time: 2013-11-13 00:00:00 at 11:26:29

Sender Name: UNITED BANK

Sender ABA: 051900395

Sender Reference: 131113111508T2NY

Sender Imad: 20131113E6B74K3C000025

Receiver Name: FREEDOM BANK INC

Receiver ABA: 051504377

* * *

Beneficiary: City of Belington -
Funding Assistance Trust Fund

AC - **********4013

Beneficiary Bank:

* * *

Originator Information: TRUST DEPT

Originator Bank:

Originator Bank Information: Contact: Sharon Ball 304-823-1531

Bank to Bank and all other FRB info fields:

* * *

Fax: 13044248770

G Houser 11/13/13

WEST VIRGINIA
Water Development Authority
Celebrating 39 Years of Service 1974 - 2013

November 13, 2013

The City of Belington
Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

In reliance upon a certificate of Ralph Laton, CPA, an independent certified public accountant, and an opinion of Steptoe & Johnson PLLC, as bond counsel, stating that the coverage and parity requirements have been met, the undersigned duly authorized representative for the West Virginia Water Development Authority, the Registered Owner of the Prior Bonds hereinafter defined and described, hereby consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), in the original aggregate principal amount of $667,188 (the "Series 2013 A Bonds") by The City of Belington (the "Issuer"), under the terms of the Bond Ordinance authorizing the Series 2013 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Outstanding: (1) Combined Waterworks and Sewerage System Revenue Bond, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original aggregate principal amount of $475,000 (the "Series 1997 A Bonds"); (2) Combined Waterworks and Sewerage System Design Revenue Bond, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, issued in the original aggregate principal amount of $350,000 (the "Series 1997 B Bonds"); (3) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), dated July 15, 2004, issued in the original aggregate principal amount of $1,000,000 (the "Series 2004 C Bonds"); and (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), dated September 20, 2012, issued in the original aggregate principal amount of $1,250,000 (the "Series 2012 A Bonds"), (collectively, the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Sheila A. Miller
Authorized Representative

062490.00005

1009 Bullitt Street, Charleston, WV 25301
Phone (304) 414-6500 / fax (304)414-0865
www.wvwda.org

USDA

United States Department of Agriculture

Rural Development

West Virginia State Office

1550 Earl Core Road,
Suite 101
Morgantown, WV
26505

Voice 304.284.4860
1.800.295.8228
Fax 304.284.4893

November 13, 2013

The City of Belington
Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present Holder of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), in the original aggregate principal amount of $667,188 (the "Series 2013 A Bonds"), by The City of Belington (the "Issuer"), under the terms of the Bond Ordinance authorizing the issuance of the Series 2013 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding: (1) Combined Waterworks and Sewerage System Refunding Revenue Bond, Series 2004 A (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $348,947 (the "Series 2004 A Bonds"); (2) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $1,351,053 (the "Series 2004 B Bonds"); (3) Combined Waterworks and Sewerage System Bonds, Series 2012 B (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,750,000 (the "Series 2012 B Bonds"); and (4) Combined Waterworks and Sewerage System Bonds, Series 2012 C (United States Department of Agriculture), dated September 20, 2012, issued in the original aggregate principal amount of $1,100,000 (the "Series 2012 C Bonds"), (collectively, the "Prior Bonds"); and (ii) waives any requirements imposed by the Prior Bonds or the ordinances authorizing the Prior Bonds (the "Prior Ordinances"), regarding the issuance of parity bonds which are not met by the Series 2013 A Bonds or the Ordinance.

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

State Director

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

WATER

THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

BOND ORDINANCE

Table of Contents

Subject		Page
ARTICLE I STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01	Authority for this Ordinance	1
Section 1.02	Findings	1
Section 1.03	Bond Legislation Constitutes Contract	3
Section 1.04	Definitions	4
ARTICLE II AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT		
Section 2.01	Authorization of Acquisition and Construction of the Project	11
ARTICLE III AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT		
Section 3.01	Authorization of Bonds	12
Section 3.02	Terms of Bonds	12
Section 3.03	Execution of Bonds	13
Section 3.04	Authentication and Registration	13
Section 3.05	Negotiability, Transfer and Registration	13
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	14
Section 3.07	Bonds not to be Indebtedness of the Issuer	14

Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds	14
Section 3.09	Delivery of Bonds	15
Section 3.10	Form of Series 1997 A Bonds	15
	FORM OF SERIES 1997 A BOND	16
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement	23
Section 3.12	"Amended Schedule A" Filing	23

ARTICLE IV
[RESERVED] 24

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01	Establishment of Funds and Accounts with Depository Bank	25
Section 5.02	Establishment of Funds and Accounts with Commission	25
Section 5.03	System Revenues; Flow of Funds	25

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	30
Section 6.02	Disbursements From the Bond Construction Trust Fund	30

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer	32
Section 7.02	Bonds not to be Indebtedness of the Issuer	32
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds	32
Section 7.04	Rates and Charges	32
Section 7.05	Sale of the System	32
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	33
Section 7.07	Parity Bonds	34
Section 7.08	Books; Records and Facilities	36

Section 7.09	Rates	37
Section 7.10	Operating Budget; Audit and Monthly Financial Report	38
Section 7.11	Engineering Services and Operating Personnel	39
Section 7.12	No Competing Franchise	39
Section 7.13	Enforcement of Collections	39
Section 7.14	No Free Services	40
Section 7.15	Insurance and Construction Bonds	40
Section 7.16	Connections	41
Section 7.17	Completion of Project; Permits and Orders	41
Section 7.18	Compliance with Loan Agreement and Law	42
Section 7.19	Tax Covenants	42
Section 7.20	Statutory Mortgage Lien	43
Section 7.21	Securities Laws Compliance	43

ARTICLE VIII
INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01	Investments	44
Section 8.02	Arbitrage	44
Section 8.03	Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States	45

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	Events of Default	47
Section 9.02	Remedies	47
Section 9.03	Appointment of Receiver	47

ARTICLE X
DEFEASANCE

Section 10.01	Defeasance of Bonds	49

ARTICLE XI
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation	50
Section 11.02	Bond Legislation Constitutes Contract	50
Section 11.03	Severability of Invalid Provisions	50
Section 11.04	Headings, Etc.	50
Section 11.05	Conflicting Provisions Repealed	50

Section 11.06	Covenant of Due Procedure, Etc.	51
Section 11.07	Effective Date	51
Section 11.08	Statutory Notice and Public Hearing	51
	SIGNATURES	51
	CERTIFICATION	52
	EXHIBIT A	53

THE CITY OF BELINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

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

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of approximately 3 miles of waterline extension along Route 92 for about 49 customers, together with all appurtenant facilities, (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Bonds (as hereinafter defined) and to make all payments provided for herein.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), in the total aggregate principal amount of not more than $500,000 (the "Series 1997 A Bonds"), initially to be represented by a single bond, to permanently finance the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 1997 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 1997 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the West Virginia Water Development Authority (the "Authority"), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1997 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1997 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 1997 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into by and between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by supplemental resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 1997 A Bonds as to liens, pledge and source of and security for payment, being the Water and Sewer Revenue Bonds of 1971, Series B, dated July 1, 1971, issued in the original principal amount of $438,000, currently held by the Economic Development Administration (the "Prior Bonds").

The Issuer has obtained the consent of the Holders of the Prior Bonds to the issuance of the Series 1997 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1997 A Bonds, or will have so complied prior to issuance of any thereof, including, if necessary, the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the date of issuance of the Series 1997 A Bonds or such final order will not be subject to appeal or rehearing.

I. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1997 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1997 A Bonds are to be issued.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council pursuant to Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of Series 1997 A Bonds by the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between

the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1997 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means, collectively, the Series 1997 A Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 1997 A Bonds for the proceeds representing the purchase price of the Series 1997 A Bonds from the Authority.

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

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

"Consulting Engineers" means Green Engineering, Inc., Philippi, West Virginia, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof; provided, however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions.

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

"Council" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

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

"Depreciation Account" means the Depreciation Account created by the Prior Ordinance and continued hereby.

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

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

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

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

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with generally accepted accounting principles.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Loan Agreement" means the Loan Agreement to be entered into between the Authority and the Issuer, providing for the purchase of the Series 1997 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1997 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1997 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1997 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1997 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 1997 A Bonds.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, retention of a sum not to exceed 1/6th of the amount estimated in the current budget for costs of operation and maintenance of the System, and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution.

"Prior Bonds" means the Issuer's Water and Sewer Revenue Bonds of 1971, Series B, defined in Section 1.02G hereof.

"Prior Ordinance" means the ordinance of the Issuer enacted September 19, 1968, including all amendments thereto, authorizing the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying

certain legal and other requirements with the proceeds of the water development revenue bonds of the Authority.

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

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

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said

repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

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

"Registrar" means the Bond Registrar.

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

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance and continued hereby.

"Series 1997 A Bonds" means the not more than $500,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 1997 A Bonds Construction Trust Fund" means the Series 1997 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 1997 A Bonds Reserve Account" means the Series 1997 A Bonds Reserve Account established in the Series 1997 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 A Bonds in the then current or any succeeding year.

"Series 1997 A Bonds Sinking Fund" means the Series 1997 A Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 1997 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1997 A Bonds and not so included, may be included in another Supplemental Resolution.

"System" means the complete public combined waterworks and sewerage system of the Issuer, including the Project, and all facilities and other property of every nature, real or personal, tangible or intangible, now or hereafter owned, held or used in connection with the System, and any further extensions, additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $517,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1997 A Bonds hereby authorized shall be applied as provided in VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority.

The cost of the Project is estimated not to exceed $517,000, of which approximately $500,000 will be obtained from proceeds of the Series 1997 A Bonds and approximately $17,000 from Tap Fees received by the Issuer.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1997 A Bonds, funding a reserve account for the Series 1997 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 1997 A Bonds of the Issuer. The Series 1997 A Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bond, Series 1997 A (West Virginia Water Development Authority)," in the principal amount of not more than $500,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1997 A Bonds remaining after funding of the Series 1997 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1997 A Bonds, if any, shall be deposited in or credited to the Series 1997 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 1997 A Bonds shall bear interest at such rate or rates, not exceeding the then legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1997 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 1997 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Series 1997 A Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from the date so specified therein.

Section 3.03. Execution of Bonds. The Series 1997 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1997 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1997 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

The registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in

writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1997 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1997 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account. No Holder or Holders of any of the Series 1997 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all Series 1997 A Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues

in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on the Series 1997 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1997 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1997 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1997 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1997 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1997 A Bonds.

Section 3.10. Form of Series 1997 A Bonds. The text of the Series 1997 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 1997 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1997 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), in installments on October 1 of each year, beginning October 1, 199___, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said EXHIBIT A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning _____ 1, 199____, as set forth on said EXHIBIT A. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated _____, 199____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199___, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER AND SEWER REVENUE BONDS OF 1971, SERIES B, DATED JULY 1, 1971, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $438,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1997 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to make all payments due and owing on the Bonds and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the maximum amount payable in any year for principal of and interest on the Prior Bonds, so long as the Prior Bonds are outstanding, unless waived by the Holders of the Prior Bonds, and at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all

other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as the Prior Bonds are no longer outstanding and so long as there exists in the Series 1997 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199____.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199____.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

_____
Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1997 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Ordinance);

(2) Depreciation Account (established by the Prior Ordinance); and

(3) Series 1997 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by the Prior Ordinance) with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1997 A Bonds Sinking Fund; and

(a) Within the Series 1997 A Bonds Sinking Fund, the Series 1997 A Bonds Reserve Account.

The Sinking Fund and the Reserve Account established at the Commission by the Prior Ordinance for the Prior Bonds have been eliminated pursuant to an agreement between the Issuer and the Holder of the Prior Bonds. Pursuant to said agreement, the Issuer makes direct payments to the Holder of the Prior Bonds.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, each month, pay from the moneys in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, (i) on or before the due date of payment of each installment on the Prior Bonds, transfer from the Revenue Fund and remit to the Holder of the Prior Bonds, the amounts required to pay the interest on the Prior Bonds and to amortize the principal of the Prior Bonds over the life of such Bond issue; (ii) on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1997 A Bonds for which interest has not been capitalized, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 1997 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date; and (iii) on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1997 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 1997 A Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1997 A Bonds, if not fully funded upon issuance of the Series 1997 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 A Bonds Reserve Account, an amount equal to 1/120th of the Series 1997 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1997 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1997 A Bonds Reserve Requirement.

(4) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Depreciation Account, the moneys remaining in the Revenue Fund until there has been accumulated therein the sum of $88,000, and thereafter, such sums as shall be required to maintain such amount therein. Additionally, so long as the

Series 1997 A Bonds are outstanding, the Issuer shall next, each month, transfer from the Revenue Fund to the Depreciation Account, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. All funds in the Depreciation Account shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Depreciation Account for replacements, repairs, improvements or extensions to the System.

Moneys in the Series 1997 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1997 A Bonds as the same shall become due. Moneys in the Series 1997 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1997 A Bonds as the same shall come due, when other moneys in the Series 1997 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account (if equal to the Series 1997 A Bonds Reserve Requirement) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 1997 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 1997 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1997 A Bonds Reserve Account which result in a reduction in the balance of the Series 1997 A Bonds Reserve Account to below the Series 1997 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required debt service payments have been made in full for the Prior Bonds and the Series 1997 A Bonds.

As and when additional Bonds ranking on a parity with the Series 1997 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 1997 A Bonds Sinking Fund, or the Series 1997 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1997 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 1997 A Bonds Sinking Fund and the Series 1997 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1997 A Bonds Sinking Fund, including the Series 1997 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1997 A Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1997 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges, fees and expenses then due.

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

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

payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

I. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1997 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1997 A Bonds or from other funds available to the Issuer, there shall first be deposited with the Commission in the Series 1997 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1997 A Bonds for the period commencing on the date of issuance of the Series 1997 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1997 A Bonds or from other funds available to the Issuer, there shall be deposited with the Commission in the Series 1997 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1997 A Bonds Reserve Account.

C. Next, from the proceeds of the Series 1997 A Bonds, there shall first be credited to the Series 1997 A Bonds Construction Trust Fund and then paid, any and all other borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project and any borrowings by the Issuer from the Authority, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. The remaining moneys derived from the sale of the Series 1997 A Bonds shall be deposited with the Depository Bank in the Series 1997 A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 1997 A Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Series 1997 A Bonds Construction Trust Fund set forth in the Bond Legislation. Moneys in the Series 1997 A Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1997 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly. Except as provided in Section 6.01 hereof, disbursements from the Series 1997 A Bonds Construction Trust Fund (except for the costs of issuance of the Series 1997 A Bonds which shall be made upon request of the Issuer), shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 1997 A Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 1997 A Bonds Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Series 1997 A Bonds Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Series 1997 A Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, and all Costs have been paid, the Depository Bank shall transfer any moneys remaining in the Series 1997 A Bonds Construction Trust Fund to the Series 1997 A Bonds Reserve Account, and when fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund; provided that, in no event shall more than 10% of the proceeds of the Series 1997 A Bonds be deposited in the Series 1997 A Bonds Reserve Account and any balance in excess of said amounts shall be returned to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments due on the Series 1997 A Bonds and thereafter to the next ensuing principal payments due thereon.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1997 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1997 A Bonds as hereinafter provided in this VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1997 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1997 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1997 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all Series 1997 A Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 1997 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The initial schedule of water rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted August 22, 1996, which rates are incorporated herein by reference as a part hereof. The initial schedule of sewer rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted November 16, 1989, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. Except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net

proceeds to be realized shall be sufficient to pay fully all Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1997 A Bonds, immediately be remitted to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 1997 A Bonds. Any balance remaining after the payment of all the Series 1997 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, is not in excess of $10,000, the Issuer shall make a finding by resolution in writing, concurred by the Consulting Engineer in writing, determining that such property is no longer necessary, useful or profitable in the operation thereof, and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Depreciation Account. Such payment of such proceeds into the Depreciation Account shall not reduce the amounts required to be paid into the Depreciation Account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, shall be in excess of $10,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of at least 2/3rds of each Series of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds or their duly authorized representatives, which form shall provide for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Notwithstanding the foregoing, so long as the Prior Bonds are Outstanding and held by the Economic Development Administration, the Issuer shall not dispose of the System or any part thereof without the written consent of the Economic Development Administration.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1997 A Bonds. All

obligations issued by the Issuer after the issuance of the Series 1997 A Bonds and payable from the revenues of the System, except additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 1997 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge, having priority over or being on a parity with the lien of the Series 1997 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 1997 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

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

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1997 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Series 1997 A Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 15 months immediately preceding the date of the actual issuance of such Parity Bonds, shall, so long as the Prior Bonds are Outstanding, not be less than 130%, unless waived by the Holders of the Prior Bonds, and thereafter, shall not be less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Prior Bonds then Outstanding;

(2) The Series 1997 A Bonds then Outstanding;

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

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

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Within 30 days of the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate acquisition or construction of such extensions, additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1997 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1997 A Bonds.

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

Notwithstanding the foregoing, or any provision of Section 7.06 hereof to the contrary, additional Parity Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of the Parity Bonds.

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

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

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

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

supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Consulting Engineers and the Authority or any other original purchaser of the Series 1997 A Bonds and shall mail in each year to any Holder or Holders of the Series 1997 A Bonds requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System Outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail, upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 1997 A Bonds and shall submit said report to the Authority, or any other original purchaser of the Series 1997 A Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

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

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a

margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 130% of the maximum amount required in any year for payment of principal of and interest on the Prior Bonds, so long as the Prior Bonds are Outstanding, unless waived by the Holders of the Prior Bonds, and equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 1997 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1997 A Bonds; provided that, in the event that the Prior Bonds are no longer Outstanding and an amount equal to or in excess of the reserve requirement is on deposit in the Series 1997 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 1997 A Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 1997 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1997 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

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

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached

to the Loan Agreement as Exhibit C, and forward a copy of such report to the Authority by the 10th day of each month.

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

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

The Issuer agrees that qualified operating personnel properly certified by the State will be employed to operate the System so long as any of the Series 1997 A Bonds are Outstanding.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not

paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

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

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, 2, Section 39.

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

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

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement and all applicable laws, rules and regulations issued by the Authority, or other State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1997 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1997 A Bonds during the term thereof is, under the terms of the Series 1997 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1997 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1997 A Bonds during the term thereof is, under the terms of the Series 1997 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1997 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1997 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1997 A Bonds are used, directly or

indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1997 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1997 A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1997 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1997 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1997 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 1997 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 1997 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1997 A Bonds which would cause the Series 1997 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 1997 A Bonds) so that the interest on the Series 1997 A Bonds will be and remain excludable from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1997 A Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1997 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1997 A Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 A Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such amount, plus a penalty equal to 50% of the rebate amount not paid, plus interest, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

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

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1997 A Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including, but not limited to, the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1997 A Bonds shall be on a parity with the Holders of the Prior Bonds.

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

with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all of the Series 1997 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1997 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1997 A Bonds from gross income for federal income tax purposes.

Series 1997 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1997 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1997 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1997 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1997 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1997 A Bonds, this Ordinance may be amended or supplemented in any way by Supplemental Resolution. Following issuance of the Series 1997 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Series 1997 A Bonds from gross income of the Holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution thereto, or the Series 1997 A Bonds.

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

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

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

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

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Barbour Democrat, a newspaper of general circulation in The City of Belington, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	-	January 16, 1997
Passed on Second Reading:	-	January 23, 1997
Passed on Final Reading Following Public Hearing:	-	February 20, 1997

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF BELINGTON on the 20th day of February, 1997.

Dated: March 3, 1997.

[SEAL]

Irene Ross
City Clerk

02/24/97
TOBJ.A5
062490/95001

EXHIBIT A

[Loan Agreement attached to bond transcript as Document 3.]

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A
(West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE CITY OF BELINGTON; AUTHORIZING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Belington (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective February 20, 1997 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A

LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), of the Issuer (the "Bonds" or the "Series 1997 A Bonds"), in the aggregate principal amount not to exceed $500,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds to be dated the date of delivery of the Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $475,000. The Series 1997 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2035, shall bear interest at the rate of 6.25% per annum, payable semiannually on April 1 and October 1 of each year, commencing October 1, 1997. The Series 1997 A Bonds shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 1997, and ending October 1, 2035, all as set forth in "Schedule X" attached to the Loan Agreement and incorporated in and made a part of the Series 1997 A Bonds. The Series 1997 A Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1997 A Bonds.

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

Section 3. The Issuer does hereby authorize, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, directed and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

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

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

Section 6. The Issuer does hereby appoint and direct Belington Bank, Belington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 1997 A Bonds proceeds in the amount of $8,790 shall be deposited in the Series 1997 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1997 A Bonds proceeds in the amount of $32,855 shall be deposited in the Series 1997 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 1997 A Bonds shall be deposited in or credited to the Series 1997 A Bond Construction Trust Fund as received from time to time for payment of Costs of the Project, including costs of issuance of the Series 1997 A Bonds.

Section 10. The Issuer hereby determines to pay, on the date of delivery of the Bonds and receipt of proceeds thereof, all borrowings of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the Costs of the Project, if any, including, but not limited to, all borrowings from the Issuer's general fund or from the Authority.

Section 11. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the issuance of the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about March 3, 1997, to the Authority pursuant to the Loan Agreement.

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

Section 13. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 1997 A Bonds Sinking Fund, including the Series 1997 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 15. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to

issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1997, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

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

Adopted this 20th day of February, 1997.

THE CITY OF BELINGTON

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of THE CITY OF BELINGTON on the 20th day of February, 1997.

Dated: March 3, 1997.

[SEAL]

Irene Ress

City Clerk

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THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

Table of Contents

Subject		Page
ARTICLE I		
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01	Authority for this Ordinance	1
Section 1.02	Findings	1
Section 1.03	Bond Legislation Constitutes Contract	3
Section 1.04	Definitions	4
ARTICLE II		
AUTHORIZATION OF DESIGN OF THE PROJECT		
Section 2.01	Authorization of Design of the Project	12
ARTICLE III		
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT		
Section 3.01	Authorization of Bonds	13
Section 3.02	Terms of Bonds	13
Section 3.03	Execution of Bonds	14
Section 3.04	Authentication and Registration	14
Section 3.05	Negotiability, Transfer and Registration	14
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	15
Section 3.07	Bonds not to be Indebtedness of the Issuer	15

Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	16
Section 3.09	Delivery of Bonds	16
Section 3.10	Form of Bonds	16
	FORM OF BOND	17
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement	25
Section 3.12	"Amended Schedule A" Filing	25

ARTICLE IV
[RESERVED] 26

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01	Establishment of Funds and Accounts with Depository Bank	27
Section 5.02	Establishment of Funds and Accounts with Commission	27
Section 5.03	System Revenues; Flow of Funds	27

ARTICLE VI
BOND PROCEEDS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	33
Section 6.02	Disbursements From the Project Fund	33

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer	35
Section 7.02	Bonds not to be Indebtedness of the Issuer	35
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	35
Section 7.04	Rates and Charges	35
Section 7.05	Sale of the System	35
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	36
Section 7.07	Parity Bonds	37
Section 7.08	Books; Records and Facilities	38
Section 7.09	Rates	40
Section 7.10	Operating Budget; Audit and Monthly Financial Report	41
Section 7.11	No Competing Franchise	41
Section 7.12	Enforcement of Collections	41

Section 7.13	No Free Services	42
Section 7.14	Insurance and Construction Bonds	42
Section 7.15	Mandatory Connections	43
Section 7.16	Permits	43
Section 7.17	Compliance with Loan Agreement and Law	44
Section 7.18	Tax Covenants	44
Section 7.19	Securities Laws Compliance	45
Section 7.20	Statutory Mortgage Lien	45

ARTICLE VIII
INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01	Investments	46
Section 8.02	Arbitrage and Tax Exemption	46
Section 8.03	Small Issuer Exemption from Rebate	47

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	Events of Default	49
Section 9.02	Remedies	49
Section 9.03	Appointment of Receiver	50

ARTICLE X
DEFEASANCE

Section 10.01	Defeasance of Bonds	52

ARTICLE XI
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation	53
Section 11.02	Bond Legislation Constitutes Contract	53
Section 11.03	Severability of Invalid Provisions	53
Section 11.04	Headings, Etc.	53
Section 11.05	Conflicting Provisions Repealed	53
Section 11.06	Covenant of Due Procedure, Etc.	54

Section 11.07	Effective Date	54
Section 11.08	Statutory Notice and Public Hearing	54
	SIGNATURES	54
	CERTIFICATION	55
	EXHIBIT A	56

THE CITY OF BELINGTON

ORDINANCE AUTHORIZING THE DESIGN OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public combined waterworks and sewerage system. However, it is deemed necessary and desirable for the health and

welfare of the inhabitants of the Issuer that there be designed certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of upgrading the existing wastewater treatment facility, replacing five pump stations, performing a sanitary sewer evaluation study, sewer system rehabilitation, disconnecting storm sewers from sanitary sewers and various line replacements and extensions, together with all appurtenant facilities (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further additions thereto or extensions thereof are herein called the "System").

C. The estimated revenues to be derived in each year will be sufficient to pay all costs of operation and maintenance of the System, interest on and principal of the Bonds (as hereafter defined) and to make all payments into all funds, accounts and other payments provided for herein.

D. The Issuer intends to permanently finance the costs of design of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

E. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program) (the "Series 1997 B Bonds"), in the total aggregate principal amount of not more than $350,000, initially to be represented by a single bond, to permanently finance the costs of design of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; amounts which may be deposited in the Series 1997 B Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1997 B Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design of the Project; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1997 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

F. The period of usefulness of the System after completion of the Project is not less than 20 years.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 1997 B Bonds as to liens, pledge, source of and security for payment, being the Water and Sewer Revenue Bonds of 1971, Series B, dated July 1, 1971, issued in the original principal amount of $438,000 (the "Series 1971 Bonds"), and the Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original principal amount of $475,000 (the "Series 1997 A Bonds"). The Series 1971 Bonds and the Series 1997 A Bonds are hereinafter collectively referred to as the "Prior Bonds."

Prior to the issuance of the Series 1997 B Bonds, the Issuer will obtain the written consent of the Holders of the Prior Bonds to the issuance of the Series 1997 B Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. It is in the best interests of the Issuer that its Series 1997 B Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the design of the Project and the operation of the System and issuance of the Series 1997 B Bonds, or will have so complied prior to issuance of any thereof.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1997 B Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby, reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1997 B Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of Series 1997 B Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security

of the Registered Owners of any and all of such Series 1997 B Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1997 B Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means, collectively, the Series 1997 B Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 1997 B Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1997 B Bonds from the Authority and the DEP.

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

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

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

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02E hereof to be a part of the cost of design of the Project.

"Council" means the Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

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

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

"Depreciation Account" means the Depreciation Account created by the Prior Ordinances and continued hereby.

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

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

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

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

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with generally accepted accounting principles.

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Loan Agreement" means the Loan Agreement, heretofore entered, or to be entered, into by and among the Authority, the DEP and the Issuer, providing for the purchase of the Series 1997 B Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1997 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1997 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts

resulting from the investment of proceeds of the Series 1997 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1997 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 1997 B Bonds.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, retention of a sum not to exceed 1/6th of the amount estimated in the current budget for costs of operation and maintenance of the System, and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles.

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

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

"Paying Agent" means the Commission or other entity or authority designated as such for the Series 1997 B Bonds in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Series 1971 Bonds and the Series 1997 A Bonds of the Issuer.

"Prior Ordinances" means, collectively, the ordinance of the Issuer enacted September 19, 1968, including all amendments and supplements thereto, authorizing the Series 1971 Bonds, and the ordinance of the Issuer enacted February 20, 1997, including all amendments and supplements thereto, authorizing the Series 1997 A Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

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

"Project Fund" means the Project Fund established by Section 5.01 hereof.

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be

secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Revenue Fund" means the Revenue Fund established by Section 5.01 hereof.

"Series 1971 Bonds" means the Issuer's Water and Sewer Revenue Bonds of 1971, Series B, described in Section 1.02G hereof.

"Series 1997 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), described in Section 1.02G hereof.

"Series 1997 B Bonds" means the not more than $350,000 in aggregate principal amount of Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), of the Issuer.

"Series 1997 B Bonds Reserve Account" means the Series 1997 B Bonds Reserve Account established in the Series 1997 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 B Bonds in the then current or any succeeding year.

"Series 1997 B Bonds Sinking Fund" means the Series 1997 B Bonds Sinking Fund established by Section 5.02 hereof.

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

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the,"

refers specifically to the supplemental resolution authorizing the sale of the Series 1997 B Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1997 B Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Account and any reserve account.

"System" means the complete public combined waterworks and sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include any and all additions, betterments and improvements thereto, hereafter acquired or constructed for the System from any sources whatsoever.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF DESIGN OF THE PROJECT

Section 2.01. Authorization of Design of the Project. There is hereby authorized and ordered the design of the Project, at an estimated cost of not to exceed $350,000. The proceeds of the Series 1997 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer will enter into contracts for the design of the Project, compatible with the financing plan submitted to the SRF Program.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1997 B Bonds, funding a reserve account for the Series 1997 B Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1997 B Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 1997 B Bonds of the Issuer, in an aggregate principal amount of not more than $350,000. The Series 1997 B Bonds shall be issued as a single Bond, designated as "Combined Waterworks and Sewerage System Design Revenue Bond, Series 1997 B (West Virginia SRF Program)," and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1997 B Bonds remaining after funding of the Series 1997 B Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest on the Series 1997 B Bonds, if any, shall be deposited in or credited to the Project Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 1997 B Bonds shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 1997 B Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1997 B Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1997 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 1997 B Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1997 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable,

corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 1997 B Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 1997 B Bonds shall cease to be such officer of the Issuer before the Series 1997 B Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 1997 B Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of the authorization of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1997 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1997 B Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1997 B Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 1997 B Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1997 B Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 1997 B Bonds.

The registered Series 1997 B Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 1997 B Bonds or transferring the registered Series 1997 B Bonds are exercised, all Series 1997 B Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1997 B Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1997 B Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 1997 B Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1997 B Bonds or, in the case of any proposed redemption of Series 1997 B Bonds, next preceding the date of the selection of Series 1997 B Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1997 B Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be

payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 1997 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 B Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 1997 B Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 1997 B Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1997 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1997 B Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1997 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1997 B Bonds to the original purchasers;

C. An executed and certified copy of Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1997 B Bonds.

Section 3.10. Form of Bonds. The text of the Series 1997 B Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM
DESIGN REVENUE BOND, SERIES 1997 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199____, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199____, as set forth on EXHIBIT B attached hereto.

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

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

conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, dated _____, 199____.

This Bond is issued (i) to pay a portion of the costs of design of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER AND SEWER REVENUE BONDS OF 1971, SERIES B, DATED JULY 1, 1971, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $438,000 (THE "SERIES 1971 BONDS"), AND THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"). THE SERIES 1971 BONDS AND THE SERIES 1997 A BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1997 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 B

Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the maximum amount payable in any year for principal of and interest on the Series 1971 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1971 Bonds, so long as the Series 1971 Bonds are outstanding, unless waived by the Holders of the Series 1971 Bonds, and thereafter, at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as the Series 1971 Bonds are no longer outstanding and so long as there exists in the Series 1997 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other

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

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

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199____.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199____.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1997 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Ordinances);

(2) Depreciation Account (established by the Prior Ordinances); and

(3) Project Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1997 A Bonds Sinking Fund (established by the Prior Ordinances);

(2) Within the Series 1997 A Bonds Sinking Fund, the Series 1997 A Bonds Reserve Account (established by the Prior Ordinances);

(3) Series 1997 B Bonds Sinking Fund; and

(4) Within the Series 1997 B Bonds Sinking Fund, the Series 1997 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and the Prior Ordinances. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the moneys in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, (i) on or before the due date of payment of each installment on the Series 1971 Bonds, transfer from the Revenue Fund and remit to the Holder of the Series 1971 Bonds, the amount required to pay interest on the Series 1971 Bonds; (ii) on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Prior Ordinances to be deposited in the Series 1997 A Bonds Sinking Fund for payment of interest on the Series 1997 A Bonds; and (iii) on the first day of each month, commencing 3 months prior to the first date of payment of interest on the Series 1997 B Bonds for which interest has not been capitalized or as required in the Loan Agreement, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 1997 B Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 B Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, (i) on or before the due date of payment of each installment on the Series 1971 Bonds, transfer from the Revenue Fund and remit to the Holder of the Series 1971 Bonds, the amount required to pay principal of the Series 1971 Bonds; (ii) on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Prior Ordinances to be deposited in the Series 1997 A Bonds Sinking Fund for payment of principal of the Series 1997 A Bonds; and (iii) on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1997 B Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1997 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly

principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, (i) on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Prior Ordinances to be deposited in the Series 1997 A Bonds Reserve Account; and (ii) on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1997 B Bonds, if not fully funded upon issuance of the Series 1997 B Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1997 B Bonds Reserve Account, an amount equal to 1/120th of the Series 1997 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1997 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1997 B Bonds Reserve Requirement.

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Depreciation Account, the moneys remaining in the Revenue Fund until there has been accumulated therein the sum of $88,000, and thereafter, such sums as shall be required to maintain such amount therein. Additionally, so long as the Series 1997 A Bonds and the Series 1997 B Bonds are outstanding, the Issuer shall next, each month, transfer from the Revenue Fund to the Depreciation Account, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. All funds in the Depreciation Account shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Depreciation Account for replacements, repairs, improvements or extensions to the System; provided, that any deficiency in any reserve account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Depreciation Account.

Moneys in the Series 1997 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1997 B Bonds as the same shall become due. Moneys in the Series 1997 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1997 B Bonds, as the same shall

come due, when other moneys in the Series 1997 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1997 B Bonds Sinking Fund and the Series 1997 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 1997 B Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1997 B Bonds Reserve Account which result in a reduction in the balance of the Series 1997 B Bonds Reserve Account to below the Series 1997 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority as set forth above.

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

The Issuer shall not be required to make any further payments into the Series 1997 B Bonds Sinking Fund or into the Series 1997 B Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1997 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 1997 B Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1997 B Bonds Sinking Fund and the Series 1997 B Bonds Reserve Account created hereunder, and all required amounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 1997 B Bonds Sinking Fund and the Series 1997 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1997 B Bonds Sinking Fund, including the Series 1997 B Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the

purpose of servicing the Series 1997 B Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

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

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due.

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

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

and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 1997 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1997 B Bonds, there shall first be deposited with the Commission in the Series 1997 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 1997 B Bonds, there shall be deposited with the Commission in the Series 1997 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1997 B Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1997 B Bonds, such moneys shall be deposited with the Depository Bank in the Project Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof.

D. After completion of design of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Bonds shall be used to fund the Series 1997 B Bonds Reserve Account in an amount not to exceed the Series 1997 B Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Bonds be deposited in the Series 1997 B Bonds Reserve Account.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Project Fund and shall comply with all requirements with respect to the disposition of the moneys therein set forth in the Bond Legislation. Moneys in the Project Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1997 B Bonds.

Section 6.02. Disbursements From the Project Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 1997 B Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Project Fund (except for costs of issuance of the Series 1997 B Bonds which shall be made upon request

of the Issuer) shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

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

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

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

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

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

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1997 B Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1997 B Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1997 B Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1997 B Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1997 B Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 B Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 1997 B Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on the Series 1997 B Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted November 16, 1989, and the water rate ordinance of the Issuer enacted August 22, 1996, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Ordinances. Additionally, so long as the Series 1997 B Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized

shall be sufficient to pay fully all the Bonds Outstanding or to effectively defease the pledge created by this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1997 B Bonds, immediately be remitted to the Commission for deposit in the Series 1997 B Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 1997 B Bonds as prescribed by Section 10.01 hereof. Any balance remaining after the payment of the Bonds and the interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, is not in excess of $10,000, the Issuer shall make a finding by resolution in writing, concurred by the Consulting Engineer in writing, determining that such property is no longer necessary, useful or profitable in the operation thereof, and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Depreciation Account. Such payment of such proceeds into the Depreciation Account shall not reduce the amounts required to be paid into the Depreciation Account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, shall be in excess of $10,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of at least 2/3rds of each Series of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds or their duly authorized representatives, which form shall provide for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1997 B Bonds. All obligations issued by the Issuer after the issuance of the Series 1997 B Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1997 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds

and accounts established by this Bond Legislation at the time of the issuance of such subordinate obligations have been made and are current.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1997 B Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 1997 B Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on issuance of parity obligations set forth in the Prior Ordinances shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 1997 B Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1997 B Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, improvements or betterments to the System or refunding the Series 1997 B Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 15 months immediately preceding the date of the actual issuance of such Parity Bonds, shall, so long as the Series 1971 Bonds are outstanding, not be less than 130%, unless waived by the Holders of the Series 1971 Bonds, and thereafter, shall not be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All the Series 1997 B Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 1997 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1997 B Bonds.

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

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

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times.

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

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

The Issuer shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1997 B Bonds, and shall mail in each year to any Holder or Holders of the Series 1997 B Bonds requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 1997 B Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 1997 B Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan

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

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

The Issuer shall provide the Authority and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 130% of the maximum amount required in any year for payment of principal of and interest on the Series 1971 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1971 Bonds, so long as the Series 1971 Bonds are outstanding, unless waived by the Holders of the Series 1971 Bonds, and thereafter, equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 1997 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1997 B Bonds; provided that, in the event that the Series 1971 Bonds are no longer outstanding and an amount equal to or in excess of the reserve requirement is on deposit respectively in the Series 1997 B Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 1997 B Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 1997 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1997 B Bonds. In any event, subject to any requirements of law, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinances described in Section 7.04 hereof.

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

The Issuer shall, each month, for 2 years following the completion of design of the Project, complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit C, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and

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

Section 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 1997 B Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Account and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Account.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the

System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE for all employees of or for the System eligible therefor.

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

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

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

Section 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.16. Permits. The Issuer will cause the Project to be designed as promptly as possible and operate and maintain the System as a revenue-producing utility

in good condition and in compliance with all federal and state requirements and standards. The Issuer will obtain all permits required by state and federal laws for the operation of the System.

Section 7.17. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

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

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1997 B Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1997 B Bonds during the term thereof is, under the terms of the Series 1997 B Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1997 B Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1997 B Bonds during the term thereof is, under the terms of the Series 1997 B Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1997 B Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1997 B Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1997 B Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1997 B Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1997 B Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1997 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

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

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1997 B Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1997 B Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 1997 B Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 1997 B Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1997 B Bonds which would cause the Series 1997 B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 1997 B Bonds) so that the

interest on the Series 1997 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1997 B Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1997 B Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1997 B Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 B Bonds. For purposes of this first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 B Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1997 B Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such rebate amount, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its

rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1997 B Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 1997 B Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 1997 B Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 1997 B Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1997 B Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1997 B Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the design of the Project and the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Series 1997 B Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the design of the Project on behalf of the Issuer, with the power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the design of the Project and the possession, operation and maintenance of the System for the sole purpose

of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 1997 B Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1997 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1997 B Bonds from gross income for federal income tax purposes.

The Series 1997 B Bonds, for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1997 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1997 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay, when due, the principal installments of and interest due and to become due on said Series 1997 B Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1997 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1997 B Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1997 B Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1997 B Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Series 1997 B Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 1997 B Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Series 1997 B Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 1997 B Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 1997 B Bonds.

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

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

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

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

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

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Barbour Democrat, a newspaper of general circulation in The City of Belington, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 1997 B Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	-	July 17, 1997.
Passed on Second Reading:	-	July 31, 1997.
Passed on Final Reading Following Public Hearing:	-	August 21, 1997.

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF BELINGTON on the 21st day of August, 1997.

Dated: August 26, 1997.

[SEAL]

Susan Bradley

City Clerk

08/04/97
062490/96001

EXHIBIT A

Loan Agreement included in bond transcript as Document No. 3

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Design Revenue Bonds,
Series 1997 B
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF BELINGTON; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Belington (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective August 21, 1997 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE DESIGN OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND

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

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), of the Issuer (the "Bonds"), in the aggregate principal amount not to exceed $350,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $350,000. The Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2018, and shall bear interest at the rate of 2% per annum. The interest on and principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1998, and ending June 1, 2018, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

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

Section 3. The Issuer does hereby approve and shall pay the administrative fee equal to 1% of the principal amount of the Bonds set forth in "Schedule Y" attached to the Loan Agreement.

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

Section 5. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "Registrar"), for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 7. The Issuer does hereby appoint and designate Belington Bank, Belington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 1997 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 1997 B Bonds Sinking Fund, as capitalized interest.

Section 9. Series 1997 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 1997 B Bonds Reserve Account.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Project Fund as received from time to time for payment of costs of design of the Project, including costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about August 26, 1997, to the Authority pursuant to the Loan Agreement.

Section 12. The design of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 1997 B Bonds Sinking Fund, including the Series 1997 B Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 15. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be

used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1997, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

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

Adopted this 21st day of August, 1997.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Belington on the 21st day of August, 1997.

Dated: August 26, 1997.

[SEAL]

Susan Bradley

City Clerk

07/22/97
062490/96001

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1997 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1 $475,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of FOUR HUNDRED SEVENTY-FIVE THOUSAND DOLLARS ($475,000), in installments on October 1 of each year, beginning October 1, 1997, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said EXHIBIT A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning October 1, 1997, as set forth on said EXHIBIT A. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated March 3, 1997.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on February 20, 1997, and a Supplemental Resolution duly adopted by the Issuer on February 20, 1997 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER AND SEWER REVENUE BONDS OF 1971, SERIES B, DATED JULY 1, 1971, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $438,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1997 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to make all payments due and owing on the Bonds and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of

the maximum amount payable in any year for principal of and interest on the Prior Bonds, so long as the Prior Bonds are outstanding, unless waived by the Holders of the Prior Bonds, and at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as the Prior Bonds are no longer outstanding and so long as there exists in the Series 1997 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated March 3, 1997.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 3, 1997.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

West Virginia Water Development Authority
City of Belington
Debt Service Schedule
Closing March 3, 1997
Total Amount Borrowed: $475,000

Date	Coupon	Principal	Interest	Semi-Annual Debt Service	Annual Debt Service
10/1/97	6.25%	1,830.01	17,152.78	18,982.79	18,982.79
4/1/98	6.25%	-	14,786.56	14,786.56	
10/1/98	6.25%	3,281.71	14,786.56	18,068.27	32,854.83
4/1/99	6.25%	-	14,684.01	14,684.01	
10/1/99	6.25%	3,486.81	14,684.01	18,170.82	32,854.83
4/1/00	6.25%	-	14,575.05	14,575.05	
10/1/00	6.25%	3,704.74	14,575.05	18,279.79	32,854.84
4/1/01	6.25%	-	14,459.27	14,459.27	
10/1/01	6.25%	3,936.28	14,459.27	18,395.55	32,854.82
4/1/02	6.25%	-	14,336.26	14,336.26	
10/1/02	6.25%	4,182.30	14,336.26	18,518.56	32,854.82
4/1/03	6.25%	-	14,205.57	14,205.57	
10/1/03	6.25%	4,443.70	14,205.57	18,649.27	32,854.84
4/1/04	6.25%	-	14,066.70	14,066.70	
10/1/04	6.25%	4,721.43	14,066.70	18,788.13	32,854.83
4/1/05	6.25%	-	13,919.16	13,919.16	
10/1/05	6.25%	5,016.52	13,919.16	18,935.68	32,854.84
4/1/06	6.25%	-	13,762.39	13,762.39	
10/1/06	6.25%	5,330.05	13,762.39	19,092.44	32,854.83
4/1/07	6.25%	-	13,595.83	13,595.83	
10/1/07	6.25%	5,663.18	13,595.83	19,259.01	32,854.84
4/1/08	6.25%	-	13,418.85	13,418.85	
10/1/08	6.25%	6,017.13	13,418.85	19,435.98	32,854.83
4/1/09	6.25%	-	13,230.82	13,230.82	
10/1/09	6.25%	6,393.19	13,230.82	19,624.01	32,854.83
4/1/10	6.25%	-	13,031.03	13,031.03	
10/1/10	6.25%	6,792.77	13,031.03	19,823.80	32,854.83
4/1/11	6.25%	-	12,818.76	12,818.76	
10/1/11	6.25%	7,217.32	12,818.76	20,036.08	32,854.84
4/1/12	6.25%	-	12,593.21	12,593.21	
10/1/12	6.25%	7,668.40	12,593.21	20,261.61	32,854.82
4/1/13	6.25%	-	12,353.58	12,353.58	
10/1/13	6.25%	8,147.67	12,353.58	20,501.25	32,854.83
4/1/14	6.25%	-	12,098.96	12,098.96	
10/1/14	6.25%	8,656.90	12,098.96	20,755.86	32,854.82
4/1/15	6.25%	-	11,828.43	11,828.43	
10/1/15	6.25%	9,197.96	11,828.43	21,026.39	32,854.82
4/1/16	6.25%	-	11,541.00	11,541.00	
10/1/16	6.25%	9,772.83	11,541.00	21,313.83	32,854.83
4/1/17	6.25%	-	11,235.60	11,235.60	
10/1/17	6.25%	10,383.63	11,235.60	21,619.23	32,854.83

Date	Coupon	Principal	Interest	Semi-Annual Debt Service	Annual Debt Service
4/1/18	6.25%	-	10,911.11	10,911.11	
10/1/18	6.25%	11,032.61	10,911.11	21,943.72	32,854.83
4/1/19	6.25%	-	10,566.34	10,566.34	
10/1/19	6.25%	11,722.15	10,566.34	22,288.49	32,854.83
4/1/20	6.25%	-	10,200.02	10,200.02	
10/1/20	6.25%	12,454.78	10,200.02	22,654.80	32,854.82
4/1/21	6.25%	-	9,810.81	9,810.81	
10/1/21	6.25%	13,233.21	9,810.81	23,044.02	32,854.83
4/1/22	6.25%	-	9,397.27	9,397.27	
10/1/22	6.25%	14,060.28	9,397.27	23,457.55	32,854.82
4/1/23	6.25%	-	8,957.89	8,957.89	
10/1/23	6.25%	14,939.05	8,957.89	23,896.94	32,854.83
4/1/24	6.25%	-	8,491.04	8,491.04	
10/1/24	6.25%	15,872.74	8,491.04	24,363.78	32,854.82
4/1/25	6.25%	-	7,995.02	7,995.02	
10/1/25	6.25%	16,864.79	7,995.02	24,859.81	32,854.83
4/1/26	6.25%	-	7,468.00	7,468.00	
10/1/26	6.25%	17,918.84	7,468.00	25,386.84	32,854.84
4/1/27	6.25%	-	6,908.03	6,908.03	
10/1/27	6.25%	19,038.76	6,908.03	25,946.79	32,854.82
4/1/28	6.25%	-	6,313.07	6,313.07	
10/1/28	6.25%	20,228.69	6,313.07	26,541.76	32,854.83
4/1/29	6.25%	-	5,680.92	5,680.92	
10/1/29	6.25%	21,492.98	5,680.92	27,173.90	32,854.82
4/1/30	6.25%	-	5,009.27	5,009.27	
10/1/30	6.25%	22,836.29	5,009.27	27,845.56	32,854.83
4/1/31	6.25%	-	4,295.63	4,295.63	
10/1/31	6.25%	24,263.56	4,295.63	28,559.19	32,854.82
4/1/32	6.25%	-	3,537.40	3,537.40	
10/1/32	6.25%	25,780.03	3,537.40	29,317.43	32,854.83
4/1/33	6.25%	-	2,731.77	2,731.77	
10/1/33	6.25%	27,391.28	2,731.77	30,123.05	32,854.82
4/1/34	6.25%	-	1,875.79	1,875.79	
10/1/34	6.25%	29,103.24	1,875.79	30,979.03	32,854.82
4/1/35	6.25%	-	966.32	966.32	
10/1/35	6.25%	30,922.19	966.32	31,888.51	32,854.83
		475,000.00	792,466.26	1,267,466.26	1,267,466.26

Average Coupon	6.250000%
TIC =	6.249312%
NIC =	6.250000%
Arbitrage Yield =	6.249312%
WAM =	26.694

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____.

_____

In the presence of:

_____

[SPECIMEN BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM
DESIGN REVENUE BOND, SERIES 1997 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1 $350,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of THREE HUNDRED FIFTY THOUSAND DOLLARS ($350,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1998, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1998, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, dated April 30, 1997.

This Bond is issued (i) to pay a portion of the costs of design of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on August 21, 1997, and a Supplemental Resolution duly adopted by the Issuer on August 21, 1997 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER AND SEWER REVENUE BONDS OF 1971, SERIES B, DATED JULY 1, 1971, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $438,000 (THE "SERIES 1971 BONDS"), AND THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"). THE SERIES 1971 BONDS AND THE SERIES 1997 A BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1997 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the maximum amount payable in any year for principal of and interest on the Series 1971 Bonds and all other obligations secured by a lien on or payable from such

revenues on a parity with the Series 1971 Bonds, so long as the Series 1971 Bonds are outstanding, unless waived by the Holders of the Series 1971 Bonds, and thereafter, at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as the Series 1971 Bonds are no longer outstanding and so long as there exists in the Series 1997 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated August 26, 1997.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: August 26, 1997.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$56,940	8-26-97	(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

City of Belington, West Virginia
$350,000.00 Loan
2% Interest Rate, 1% Administrative Fee
20 Years
DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/1998	-	-	-	-
9/01/1998	3,568.96	2.000%	1,750.00	5,318.96
12/01/1998	3,586.81	2.000%	1,732.16	5,318.97
3/01/1999	3,604.74	2.000%	1,714.22	5,318.96
6/01/1999	3,622.77	2.000%	1,696.20	5,318.97
9/01/1999	3,640.88	2.000%	1,678.08	5,318.96
12/01/1999	3,659.08	2.000%	1,659.88	5,318.96
3/01/2000	3,677.38	2.000%	1,641.58	5,318.96
6/01/2000	3,695.77	2.000%	1,623.20	5,318.97
9/01/2000	3,714.24	2.000%	1,604.72	5,318.96
12/01/2000	3,732.82	2.000%	1,586.15	5,318.97
3/01/2001	3,751.48	2.000%	1,567.48	5,318.96
6/01/2001	3,770.24	2.000%	1,548.73	5,318.97
9/01/2001	3,789.09	2.000%	1,529.87	5,318.96
12/01/2001	3,808.03	2.000%	1,510.93	5,318.96
3/01/2002	3,827.07	2.000%	1,491.89	5,318.96
6/01/2002	3,846.21	2.000%	1,472.75	5,318.96
9/01/2002	3,865.44	2.000%	1,453.52	5,318.96
12/01/2002	3,884.77	2.000%	1,434.19	5,318.96
3/01/2003	3,904.19	2.000%	1,414.77	5,318.96
6/01/2003	3,923.71	2.000%	1,395.25	5,318.96
9/01/2003	3,943.33	2.000%	1,375.63	5,318.96
12/01/2003	3,963.05	2.000%	1,355.91	5,318.96
3/01/2004	3,982.86	2.000%	1,336.10	5,318.96
6/01/2004	4,002.78	2.000%	1,316.19	5,318.97
9/01/2004	4,022.79	2.000%	1,296.17	5,318.96
12/01/2004	4,042.90	2.000%	1,276.06	5,318.96
3/01/2005	4,063.12	2.000%	1,255.84	5,318.96
6/01/2005	4,083.44	2.000%	1,235.53	5,318.97
9/01/2005	4,103.85	2.000%	1,215.11	5,318.96
12/01/2005	4,124.37	2.000%	1,194.59	5,318.96
3/01/2006	4,144.99	2.000%	1,173.97	5,318.96
6/01/2006	4,165.72	2.000%	1,153.24	5,318.96
9/01/2006	4,186.55	2.000%	1,132.42	5,318.97
12/01/2006	4,207.48	2.000%	1,111.48	5,318.96
3/01/2007	4,228.52	2.000%	1,090.45	5,318.97
6/01/2007	4,249.66	2.000%	1,069.30	5,318.96
9/01/2007	4,270.91	2.000%	1,048.05	5,318.96
12/01/2007	4,292.26	2.000%	1,026.70	5,318.96
3/01/2008	4,313.72	2.000%	1,005.24	5,318.96
6/01/2008	4,335.29	2.000%	983.67	5,318.96
9/01/2008	4,356.97	2.000%	961.99	5,318.96
12/01/2008	4,378.75	2.000%	940.21	5,318.96
3/01/2009	4,400.65	2.000%	918.32	5,318.97
6/01/2009	4,422.65	2.000%	896.31	5,318.96

City of Belington, West Virginia
$350,000.00 Loan
2% Interest Rate, 1% Administrative Fee
20 Years
DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
9/01/2009	4,444.76	2.000%	874.20	5,318.96
12/01/2009	4,466.99	2.000%	851.97	5,318.96
3/01/2010	4,489.32	2.000%	829.64	5,318.96
6/01/2010	4,511.77	2.000%	807.19	5,318.96
9/01/2010	4,534.33	2.000%	784.63	5,318.96
12/01/2010	4,557.00	2.000%	761.96	5,318.96
3/01/2011	4,579.78	2.000%	739.18	5,318.96
6/01/2011	4,602.68	2.000%	716.28	5,318.96
9/01/2011	4,625.70	2.000%	693.27	5,318.97
12/01/2011	4,648.83	2.000%	670.14	5,318.97
3/01/2012	4,672.07	2.000%	646.89	5,318.96
6/01/2012	4,695.43	2.000%	623.53	5,318.96
9/01/2012	4,718.91	2.000%	600.06	5,318.97
12/01/2012	4,742.50	2.000%	576.46	5,318.96
3/01/2013	4,766.21	2.000%	552.75	5,318.96
6/01/2013	4,790.05	2.000%	528.92	5,318.97
9/01/2013	4,814.00	2.000%	504.97	5,318.97
12/01/2013	4,838.07	2.000%	480.90	5,318.97
3/01/2014	4,862.26	2.000%	456.71	5,318.97
6/01/2014	4,886.57	2.000%	432.40	5,318.97
9/01/2014	4,911.00	2.000%	407.96	5,318.96
12/01/2014	4,935.56	2.000%	383.41	5,318.97
3/01/2015	4,960.23	2.000%	358.73	5,318.96
6/01/2015	4,985.03	2.000%	333.93	5,318.96
9/01/2015	5,009.96	2.000%	309.00	5,318.96
12/01/2015	5,035.01	2.000%	283.95	5,318.96
3/01/2016	5,060.18	2.000%	258.78	5,318.96
6/01/2016	5,085.48	2.000%	233.48	5,318.96
9/01/2016	5,110.91	2.000%	208.05	5,318.96
12/01/2016	5,136.47	2.000%	182.50	5,318.97
3/01/2017	5,162.15	2.000%	156.81	5,318.96
6/01/2017	5,187.96	2.000%	131.00	5,318.96
9/01/2017	5,213.90	2.000%	105.06	5,318.96
12/01/2017	5,239.97	2.000%	78.99	5,318.96
3/01/2018	5,266.17	2.000%	52.79	5,318.96
6/01/2018	5,292.50	2.000%	26.46	5,318.96
TOTAL	350,000.00	-	75,517.00	425,517.00 *

*Plus one-percent administrative fee paid quarterly in the amount of $472. Total administrative fee paid over the life of the loan is $37,760.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

WATER

THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE) AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND)

BOND ORDINANCE

Table of Contents

Subject **Page**

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01	Authority for this Ordinance	2
Section 1.02	Findings	2
Section 1.03	Bond Legislation Constitutes Contract	4
Section 1.04	Definitions	4

ARTICLE II
AUTHORIZATION OF REFUNDING, ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01	Authorization of Refunding	14
Section 2.02	Authorization of Acquisition and Construction of the Project	14

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

Section 3.01	Authorization of Bonds	15
Section 3.02	Terms of Bonds	15
Section 3.03	Execution of Bonds	16
Section 3.04	Bond Registrar; Authentication and Registration	16
Section 3.05	Negotiability, Transfer and Registration	17
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	18
Section 3.07	Bonds not to be Indebtedness of the Issuer	19
Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Position	19
Section 3.09	Delivery of Bonds	19
Section 3.10	Form of Bonds	20
	FORM OF SERIES 2004 A BOND	21
	FORM OF SERIES 2004 B BOND	27
	FORM OF SERIES 2004 C BOND	33
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement	42
Section 3.12	Filing of "Amended Schedule"	42

ARTICLE IV

[RESERVED] 43

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01	Establishment of Funds and Accounts with Depository Bank	44
Section 5.02	Establishment of Funds and Accounts with Commission	44
Section 5.03	System Revenues; Flow of Funds	44

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	51
Section 6.02	Disbursements From the Bond Construction Trust Fund	52

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer	54
Section 7.02	Bonds not to be Indebtedness of the Issuer	54
Section 7.03	Bonds Secured by Pledge of Net Revenues, Lien Position	54
Section 7.04	Rates and Charges	54
Section 7.05	Sale of the System	55
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	56
Section 7.07	Parity Bonds	56
Section 7.08	Books; Records and Audit	58
Section 7.09	Rates	60
Section 7.10	Operating Budget and Monthly Financial Report	61
Section 7.11	Engineering Services and Operating Personnel	61
Section 7.12	No Competing Franchise	62
Section 7.13	Enforcement of Collections	62
Section 7.14	No Free Services	62
Section 7.15	Insurance and Construction Bonds	63
Section 7.16	Mandatory Connections	64
Section 7.17	Completion of Project; Permits and Orders	65
Section 7.18	Compliance with Letter of Conditions, Loan Agreement and Law	65
Section 7.19	Tax Covenants	65
Section 7.20	Securities Law Compliance	66
Section 7.21	Statutory Mortgage Lien	67
Section 7.22	Contracts; Public Releases	67

ARTICLE VIII
INVESTMENT OF FUNDS; USE OF PROCEEDS

Section 8.01	Investments	68
Section 8.02	Certificate as to Use of Proceeds; Covenants as to Use of Proceeds	68

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	Events of Default	70
Section 9.02	Remedies	70
Section 9.03	Appointment of Receiver	71

ARTICLE X
PAYMENT OF BONDS

Section 10.01	Payment of Bonds	72

ARTICLE XI
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation	74
Section 11.02	Bond Legislation Constitutes Contract	74
Section 11.03	Severability of Invalid Provisions	74
Section 11.04	Headings, Etc.	74
Section 11.05	Conflicting Provisions Repealed	74
Section 11.06	Covenant of Due Procedure, Etc.	75
Section 11.07	Effective Date	75
Section 11.08	Statutory Notice and Public Hearing	75
	SIGNATURES	75
	CERTIFICATION	76

THE CITY OF BELINGTON

ORDINANCE AUTHORIZING THE REFUNDING OF THE WATER AND SEWER REVENUE BONDS OF 1971, SERIES B, OF THE CITY OF BELINGTON AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), NOT MORE THAN $1,700,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE) AND NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20, Chapter 13, Article 2E, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

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

C. The acquisition and construction of the System were financed, in part, by the proceeds of prior bond issues of the Issuer, of which there are presently outstanding the Water and Sewer Revenue Bonds of 1971, Series B, dated July 1, 1971, issued in the original principal amount of $438,000 (the "Series 1971 Bonds"), the Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original principal amount of $475,000 (the "Series 1997 A Bonds"), and the Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, issued in the original principal amount of $331,042 (the "Series 1997 B Bonds"). The Series 1971 Bonds, the Series 1997 A Bonds and the Series 1997 B Bonds are hereinafter collectively referred to as the "Prior Bonds."

D. Under the provisions of the Act, the Issuer is authorized and empowered to issue refunding revenue bonds for the purpose of refunding, paying or discharging all or any part of its outstanding revenue bonds, including interest thereon.

E. The Issuer has determined and hereby determines that it is in the best interest of the residents of the Issuer and other users of the System to currently refund the Series 1971 Bonds in order to release the Issuer from burdensome covenants in the ordinance authorizing the Series 1971 Bonds (the "1971 Ordinance").

F. [RESERVED]

G. [RESERVED]

H. It is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2004 A Bonds and secure the Series 2004 A Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the monies in the respective Sinking Fund and Reserve Account for the Series 2004 A Bonds, unexpended proceeds of the Series 2004 A Bonds, if any, and as further set forth herein.

Upon the refunding of the Series 1971 Bonds, there will be no other outstanding bonds or obligations of the Issuer, which are secured by revenues or assets of the System other than the Series 1997 A Bonds and the Series 1997 B Bonds (collectively, the "Series 1997 Bonds"). The Series 2004 Bonds shall be issued on a parity with the Series 1997 Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2004 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 1997 Bonds are met; and (ii) the written consent of the holders of the Series 1997 Bonds to the issuance of the Series 2004 Bonds on a parity with the Series 1997 Bonds.

I. The estimated revenues to be derived in each year from the operation of the System after refunding the Series 1971 Bonds and completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein.

J. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds in the total aggregate principal amount of not more than $3,050,000 in three series (collectively, the "Series 2004 Bonds"), being the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2004 A (United States Department of Agriculture) (the "Series 2004 A Bonds"), in the aggregate principal amount of not more that $350,000, the Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), in the aggregate principal amount of not more than $1,700,000 (the "Series 2004 B Bonds"), and the Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $1,000,000 (the "Series 2004 C Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project and to currently refund the Series 1971 Bonds. The remaining costs of the Project shall be funded

from the sources set forth in Section 2.01 hereof. Such costs shall be deemed to include the cost of currently refund the Series 1971 Bonds, all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2004 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in any Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2004 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2004 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

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

M. The Issuer has complied with all requirements of West Virginia law, the Letters of Conditions and the Loan Agreement relating to the refunding of the Series 1971 Bonds and authorization of the acquisition, construction and operation of the Project and the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2004 Bonds, or will have so complied prior to issuance of any thereof, including, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2004 Bonds or such final order will not be subject to appeal.

N. Pursuant to the Act, the Council has approved the Project and has authorized the Authority to make a loan to the Issuer from the West Virginia Infrastructure Fund.

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

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

"Act" means, collectively, Chapter 8, Article 20, Chapter 13, Article 2E, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

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

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

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

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

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

"Bonds" means, collectively, the Series 2004 Bonds and the Series 1997 Bonds, and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"City Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2004 A Bonds and the Series 2004 B Bonds for all or a portion of the proceeds of the Series 2004 A Bonds and the Series 2004 B Bonds, respectively, from the Purchaser and the Series 2004 C Bonds for all or a portion of the proceeds of the Series 2004 C Bonds from the Authority and the Council.

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

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

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02J hereof to be a part of the costs of refunding the Series 1971 Bonds and acquisition and construction of the Project.

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

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

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

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

"Governing Body" means the council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the council as presently constituted.

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

"Grant" means, collectively, all grant monies received by the Issuer for the Project.

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with generally accepted accounting principles.

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

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

"Investment Property" means

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of

which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

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

"Letters of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated July 1, 1999, Amendment No. 1 to Letter of Conditions dated January 10, 2001, for the purchase of the Series 2004 A Bonds and the Series 2004 B Bonds and all other Amendments to the Letter of Conditions.

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

"Mayor" means the Mayor of the Issuer.

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

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

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, retention of a sum not to exceed 1/6th of the amount estimated in the current budget for costs of operation and maintenance of the System, and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles.

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2004 C Bonds by the Issuer in the Supplemental Resolution.

"Prior Ordinance" means, collectively, the ordinances of the Issuer enacted February 20, 1997, and August 21, 1997, as supplemented, authorizing the Series 1997 Bonds.

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

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

"Purchaser" or "Government" means the United States Department of Agriculture and any successor thereof acting for and on behalf of the United States of America, which is expected to be the original purchaser and Registered Owner of the Series 2004 A Bonds and the Series 2004 B Bonds.

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

(a) Government Obligations;

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

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for

Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2004 Bonds and the Series 1997 Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance and continued hereby.

"Series 1997 Bonds" means, collectively, the Series 1997 A Bonds and the Series 1997 B Bonds.

"Series 2004 Bonds" means, collectively, the Series 2004 A Bonds, the Series 2004 B Bonds and the Series 2004 C Bonds.

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

"Series 2004 A Bonds" means the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2004 A (United States Department of Agriculture"), of the Issuer, authorized by this Ordinance.

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

"Series 2004 A Bonds Reserve Requirement" means, as of any date of calculation, an amount equal to 10% of the annual debt service each year for the life of the loan.

"Series 2004 B Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), of the Issuer, authorized by this Ordinance.

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

"Series 2004 B Bonds Reserve Requirement" means, as of any date of calculation, an amount equal to 10% of the annual debt service each year for the life of the loan.

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

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

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

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

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2004 Bonds and the Series 1997 Bonds.

"State" means the State of West Virginia.

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

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

"System" means the complete existing public combined waterworks and sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF REFUNDING, AND ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Refunding. All Series 1971 Bonds Outstanding as of the date of issuance of the Series 2004 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be refunded and paid in full and the pledge of Net Revenues in favor of the Holders of the Series 1971 Bonds imposed by the 1971 Ordinance, the monies in the funds and accounts created by the 1971 Ordinance pledged to payment of the Series 1971 Bonds, and any other funds pledged by the 1971 Ordinance to payment of the Series 1971 Bonds are hereby ordered terminated, discharged and released upon such payment to the Holders of the Series 1971 Bonds. Contemporaneously with the payment in full of the Series 1971 Bonds, the amounts on deposit in the sinking fund, the reserve account, and all other funds and accounts created and maintained on behalf of the Series 1971 Bonds, shall be released from the lien created by the 1971 Ordinance. The cost of refunding the Series 1971 Bonds will be obtained solely from the proceeds of the Series 2004 A Bonds.

Section 2.02. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the refunding of the Series 1971 Bonds and the acquisition and construction of the Project, at an estimated cost of not to exceed $6,700,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Purchaser, the Authority and the Council.

The cost of the Project, including the refunding of the Series 1971 Bonds, is estimated not to exceed $6,700,000, of which approximately $350,000 will be obtained from proceeds of the Series 2004 A Bonds, approximately $1,700,000 will be obtained from proceeds of the Series 2004 B Bonds, approximately $1,000,000 will be obtained from proceeds of the Series 2004 C Bonds, approximately $1,750,000 will be obtained from proceeds of a grant from the Purchaser, approximately $1,500,000 will be obtained from proceeds of a grant from the Council, approximately $250,000 will be obtained from proceeds of a grant from the Appalachian Regional Commission and approximately $150,000 will be obtained from the funds of the Issuer.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of currently refunding the Series 1971 Bonds, capitalizing interest on the Series 2004 Bonds, funding reserve accounts for the Series 2004 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2004 A Bonds, Series 2004 B Bonds and the Series 2004 C Bonds of the Issuer; the Series 2004 A Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2004 A (United States Department of Agriculture)," in the principal amount of not more than $350,000; the Series 2004 B Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture)," in the principal amount of not more than $1,700,000; and the Series 2004 C Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund)", in the principal amount of not more than $1,000,000, and each shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2004 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest on the Series 2004 Bonds, if any, shall be deposited in or credited to the respective Bond Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. A. The Series 2004 A Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum rate, payable monthly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Series 2004 A Bond.

B. The Series 2004 B Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum rate, payable monthly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Series 2004 B Bond.

C. The Series 2004 C Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental

Resolution or as specifically provided in the Loan Agreement. The Series 2004 C Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2004 C Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2004 A Bonds and Series 2004 B Bonds shall each initially be issued in the form of a single bond, fully registered to the Purchaser, with a record of advances attached representing the aggregate principal amount of the Series 2004 A Bonds and the Series 2004 B Bonds, respectively. The Series 2004 C Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2004 C Bonds, all as provided in the Supplemental Resolution. The Series 2004 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that neither the Purchaser nor the Authority shall be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form, in such denominations, dated such dates and bear interest at such rates as determined by a Supplemental Resolution.

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

Section 3.04. Bond Registrar; Authentication and Registration. A. The Issuer shall be the Bond Registrar with respect to the Series 2004 A Bonds and the Series 2004 B Bonds and will keep or cause to be kept at its office by its agent, sufficient

books for the registration and transfer of the Series 2004 A Bonds and the Series 2004 B Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2004 A Bonds and the Series 2004 B Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2004 A Bonds and Series 2004 B Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2004 A Bonds and the Series 2004 B Bonds for registration or transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2004 A Bonds and the Series 2004 B Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2004 A and the Series 2004 B Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

B. The Bond Registrar with respect to the Series 2004 C Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2004 C Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Series 2004 C Bonds shall be conclusive evidence that such Series 2004 C Bonds has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2004 C Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2004 C Bonds issued hereunder. The provisions of this Section 3.04 relating to authentication shall not apply to the Series 2004 A Bonds or the Series 2004 B Bonds, notwithstanding anything herein to the contrary.

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

the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2004 Bonds remain outstanding, the Bond Registrar for the Series 2004 Bonds shall keep and maintain books for the registration and transfer of such Bonds.

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

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

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

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

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of all Series 2004 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity with the Series 1997 Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2004 Bonds and the Series 1997 Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. A. With respect to the Series 2004 A Bonds and the Series 2004 B Bonds, the Mayor is hereby authorized and directed to cause such Bonds, hereby awarded to the Purchaser pursuant to the Letters of Conditions, to be delivered to the Purchaser on the Closing Date.

B. The Issuer shall execute and deliver the Series 2004 C Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2004 C Bonds to the original purchasers upon receipt of the documents set forth below:

(1) If other than the Authority, a list of the names in which the Series 2004 C Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

(2) A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2004 C Bonds to the original purchasers;

(3) An executed and certified copy of the Bond Legislation;

(4) An executed copy of the Loan Agreement; and

(5) The unqualified approving opinion of bond counsel on the Series 2004 C Bonds.

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

(FORM OF SERIES 2004 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2004 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1 Date: _____

FOR VALUE RECEIVED, THE CITY OF BELINGTON (the "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ _____ DOLLARS ($_____), plus interest on the unpaid principal balance at the rate of ____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of principal and interest, commencing 30 days following delivery of this bond and continuing on the corresponding day of each month thereafter in the amount of $_____, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of a new public waterworks system (the "System") of the Borrower, is payable solely from the net revenues to be derived from the operation of the System in the manner provided in the hereinafter defined Ordinance. This Bond does not in any manner constitute a corporate indebtedness of Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 and Chapter 13, Article 2E of the West Virginia Code, as amended (collectively, the "Act"), and an Ordinance of the Borrower duly enacted on _____, 2004, and a Supplemental Resolution of the Borrower duly adopted on _____, 2004, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $475,000; (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $331,042; (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $_____; AND (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $_____.

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

THE CITY OF BELINGTON
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

Post Office Box 926
(P.O. Box No. or Street Address)

Belington, West Virginia 26250
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

City Clerk
(Title of Attesting Official)

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to___ _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, _____.

_____

In presence of:

_____

(FORM OF SERIES 2004 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2004 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. BR-1 Date: _____

FOR VALUE RECEIVED, THE CITY OF BELINGTON (the "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ _____ DOLLARS ($_____), or such lesser amount as is set forth on the Record of Advances attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of ____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment

of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of a new public waterworks system (the "System") of the Borrower, is payable solely from the net revenues to be derived from the operation of the System in the manner provided in the hereinafter defined Ordinance. This Bond does not in any manner constitute a corporate indebtedness of Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges,

if any, provided in the Ordinance and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted on _____, 2004, and a Supplemental Resolution of the Borrower duly adopted on _____, 2004, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $475,000; (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $331,042; (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $_____; AND (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $_____ .

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

THE CITY OF BELINGTON
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

Post Office Box 926
(P.O. Box No. or Street Address)

Belington, West Virginia 26250
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

City Clerk
(Title of Attesting Official)

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to___ _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, _____.

_____

In presence of:

_____

(FORM OF SERIES 2004 C BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2004 C
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. CR-____ $_____

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

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2004.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds")

and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2004, and a Supplemental Resolution duly adopted by the Issuer on _____, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $331,042 (THE "SERIES 1997 B BONDS); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2004 A BONDS"); AND (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $_____. THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 2004 A BONDS AND THE SERIES 2004 B BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the First Lien Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2004 C Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2004 C Bonds Reserve Account

and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the First Lien Bonds; provided however, that so long as there exists in the Series 2004 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the First Lien Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the

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

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

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2004.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: _____, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. A. The Series 2004 A Bonds shall be sold to the Purchaser, pursuant to the terms and conditions of the respective Letter of Conditions. The Letter of Conditions, including all attachments, are hereby approved and incorporated into this Bond Legislation.

B. The Series 2004 B Bonds shall be sold to the Purchaser, pursuant to the terms and conditions of the respective Letter of Conditions. The Letter of Conditions, including all attachments, are hereby approved and incorporated into this Bond Legislation.

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

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Ordinance);

(2) Renewal and Replacement Fund (established as the Depreciation Account in the Prior Ordinance and hereby renamed); and

(3) Series 2004 Bonds Construction Trust Fund; and

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2004 A Bonds Reserve Account;

(2) Series 2004 B Bonds Reserve Account;

(3) Series 2004 C Bonds Sinking Fund; and

(4) Series 2004 C Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the amounts

required to pay interest on the Series 1997 Bonds; and (ii) remit to the National Finance Office the amounts required to pay interest on the Series 2004 A Bonds and the Series 2004 B Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the amounts required to pay principal of the Series 1997 Bonds; (ii) remit to the National Finance Office, commencing one month following the date of delivery of the Series 2004 A Bonds, the amount required to amortize the principal of the Series 2004 A Bonds over the life of the bond issue; (iii) remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2004 B Bonds, the amount required to amortize the principal of the Series 2004 B Bonds over the life of the bond issue; and (iv) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2004 C Bonds, for deposit in the Series 2004 C Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2004 C Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 C Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1997 A Bonds Reserve Account, the amount required by the Prior Ordinance; and (ii) for deposit in the Series 1997 B Bonds Reserve Account, the amount required by the Prior Ordinance; (iii) commencing one month following closing, for deposit in the Series 2004 A Bonds Reserve Account, an amount equal to 0.4167% of the Series 2004 A Bonds Reserve Requirement, until the amount in the Series 2004 A Bonds Reserve Account equals the Series 2004 A Bonds Reserve Requirement; provided that no further payments shall be made into the Series 2004 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2004 A Bonds Reserve Requirement; (iv) commencing 3 months after the completion of the Project, as certified by the Consulting Engineer, for deposit in the Series 2004 B Bonds Reserve Account, an amount equal to 0.4167% of the Series 2004 B Bonds Reserve Requirement, until the amount in the Series 2004 B Bonds Reserve Account equals the Series 2004 B Bonds Reserve Requirement; provided that no further payments shall be made into the Series 2004 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2004 B Bonds Reserve Requirement; and (v)

commencing 3 months after the completion of the Project, as certified by the Consulting Engineer, for deposit in the Series 2004 C Bonds Reserve Account, an amount equal to 1/120th of the Series 2004 C Bonds Reserve Requirement, until the amount in the Series 2004 C Bonds Reserve Account equals the Series 2004 C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2004 C Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2004 C Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (i) an amount equal to 2 1/2% of Gross Revenues each month (as set forth in the Prior Ordinance and not in addition thereto); (ii) commencing one month following the closing, an amount equal to 0.4167% of the Series 2004 A Bonds Reserve Requirement until the amount in the Series 2004 A Bonds Reserve Account equals the Series 2004 A Bonds Reserve Requirement and thereafter, an amount equal to 0.8334% of the Series 2004 A Bonds Reserve Requirement, so long as the Series 2004 A Bonds are outstanding; provided, however, that in the event revenues are insufficient to maintain the Series 2004 A Bonds Reserve Requirement in the Series 2004 A Bonds Reserve Account in accordance with Section 5.03A(4) above, or a withdrawal of funds from the Series 2004 A Bonds Reserve Account is made, payment of revenues into the Renewal and Replacement Fund as provided in this Section 5.03A(5)(ii) shall not be made, but instead such payments shall be made to the Series 2004 A Bonds Reserve Account until the Series 2004 A Bonds Reserve Requirement is accumulated therein, at which time payments to the Renewal and Replacement Fund as provided in this Section 5.03A(5)(ii) shall resume; and (iii) commencing 3 months after the completion of construction the Project, as certified by the Consulting Engineer, an amount equal to 0.4167% of the Series 2004 B Bonds Reserve Requirement until the amount in the Series 2004 B Bonds Reserve Account equals the Series 2004 B Bonds Reserve Requirement and thereafter, an amount equal to 0.8334% of the Series 2004 B Bonds Reserve Requirement, so long as the Series 2004 B Bonds are outstanding; provided, however, that in the event revenues are insufficient to maintain the Series 2004 B Bonds Reserve Requirement in the Series 2004 B Bonds Reserve Account in accordance with Section 5.03A(4) above, or a withdrawal of funds from the Series 2004 B Bonds Reserve Account is made, payment of revenues into the Renewal and Replacement Fund as provided in this Section 5.03A(5)(iii) shall not be made, but instead such payments shall be made to the Series 2004 B Bonds Reserve Account until the Series 2004 B Bonds Reserve Requirement is accumulated therein, at which time payments to the Renewal and Replacement Fund as provided in this Section 5.03A(5)(iii) shall resume. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions

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

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose of the System.

Monies in the Series 2004 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2004 A Bonds as the same shall come due, when other monies are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2004 A Bonds Reserve Account shall be sufficient to prepay the Series 2004 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2004 A Bonds accrued interest thereon to such prepayment date.

Monies in the Series 2004 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2004 B Bonds as the same shall come due, when other monies are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2004 B Bonds Reserve Account shall be sufficient to prepay the Series 2004 B Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2004 B Bonds accrued interest thereon to such prepayment date.

Monies in the Series 2004 C Bonds Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2004 C Bonds as the same shall become due. Monies in the Series 2004 C Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2004 C Bonds as the same shall come due, when other monies in the Series 2004 C Bonds Sinking Fund are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2004 C Bonds Reserve Account shall be sufficient to prepay the Series 2004 C Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2004 C Bonds and accrued interest, if any, thereon to such prepayment date.

All investment earnings on monies in the Series 2004 A Bonds Reserve Account (if fully funded), the Series 2004 B Bonds Reserve Account (if fully funded), the Series 2004 C Bonds Sinking Fund and the Series 2004 C Bonds Reserve Account (if fully funded) shall be returned, not less than once each year, by the Commission to the Issuer, and

such amounts shall, during construction of the Project, be deposited in the Series 2004 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2004 A Bonds Reserve Requirement, the Series 2004 B Bonds and the Series 2004 C Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2004 A Bonds Reserve Account, the Series 2004 B Bonds Reserve Account or the Series 2004 C Bonds Reserve Account which result in a reduction in the balance of such accounts to below the Series 2004 A Bonds Reserve Requirement, the Series 2004 B Bonds Reserve Requirement or the Series 2004 C Bonds Reserve Requirement, respectively, shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

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

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

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1997 Bonds, the Series 2004 A Bonds, the Series 2004 B Bonds and the Series 2004 C Bonds in accordance with the respective principal amounts then Outstanding.

The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser, the Council and the Authority.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2004 A Bonds Reserve Account, the Series 2004 B Bonds Reserve Account, the Series 2004 C Bonds Sinking Fund and the Series 2004 C Bonds Reserve Account created hereunder, and all amounts required for such funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser,

the Authority or the Council at any time, the Issuer shall make the necessary arrangements whereby required payments into the said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

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

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) remit to the Purchaser and the Commission, as applicable, the required principal, interest and reserve account payments with respect to the Series 2004 Bonds and all such payments shall be remitted to the Purchaser and the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

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

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

H. All remittances made by the Issuer to the Commission or the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2004 Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

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

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

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

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

D. Next, from the remaining proceeds of the Series 2004 A Bonds, the Issuer shall pay the entire outstanding principal of and all interest accrued on the Series 1971 Bonds in full.

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

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

G. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2004 B Bonds shall be expended as directed by the Purchaser and any remaining proceeds of the Series 2004 C Bonds shall be expended as directed by the Council.

Section 6.02. Disbursements From the Bond Construction Trust Fund. A. Monies in the Series 2004 Bonds Construction Trust Fund shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will transfer from the Series 2004 Bonds Construction Trust Fund and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2004 B Bonds if there are not sufficient Net Revenues to make such monthly payment.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2004 Bonds Construction Trust Fund shall be disposed of in accordance with the regulations of the Purchaser.

B. To make disbursements from the Series 2004 Bonds Construction Trust Fund, the Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project from the Series 2004 Bonds Construction Trust Fund shall be made monthly.

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

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

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

(iii) Each of such costs has been otherwise properly incurred; and

(iv) Payment for each of the items proposed is then due and owing.

After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2004 C Bonds shall be used as directed in writing by the Council and the Authority.

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

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

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

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

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of all the Series 2004 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity with the Series 1997 Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2004 Bonds and the Series 1997 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the Final Order of the Public Service Commission of West Virginia in Case No. 02-1643-W-MA, dated January 7, 2003, approving the water rates of the System, and the sewer rate ordinance of the Issuer enacted on June 20, 2002 which rates are incorporated herein by reference as a part hereof.

So long as the Series 2004 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth

in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2004 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2004 Bonds are outstanding and except as otherwise required by law or with the written consent of the Purchaser, the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2004 A Bonds and the Series 2004 B Bonds, immediately be remitted to the National Finance Office, and with respect to the Series 2004 C Bonds, immediately be remitted to the Commission for deposit in the Series 2004 C Bonds Sinking Fund, and, with the written consent of the Purchaser, the Authority and the Council, the Issuer shall direct the National Finance Office and the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2004 Bonds. Any balance remaining after the payment of all the Series 2004 Bonds and interest, if any, thereon shall be remitted to the Issuer unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

not reduce the amounts required to be paid into such fund by other provisions of this Bond Legislation.

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

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

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

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2004 Bonds pursuant to this Bond Legislation, without the prior written consent of the Purchaser, the Authority and the Council and without complying with the conditions and requirements herein provided.

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

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

So long as the Series 2004 A and the Series 2004 B Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds Outstanding;

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

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2004 A Bonds and the Series 2004 B Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2004 A Bonds and the Series 2004 B Bonds are no longer outstanding, the following parity requirement shall be met:

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

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the

above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

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

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

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Purchaser, the Authority and the Council or their agents and representatives, to inspect all books, documents, papers

and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Purchaser, the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

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

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

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2004 Bonds and shall submit said report to the Purchaser, the Authority and the Council, or any other original purchaser of the Series 2004 Bonds. Such audit report submitted to the Purchaser, the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2004 Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 Bonds and all

other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 Bonds, including the Series 1997 Bonds; provided that, in the event that an amount equal to or in excess of the reserve requirement is on deposit respectively in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2004 Bonds, including the Series 1997 Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 Bonds. In any event, subject to any requirements of law, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinances described in Section 7.04 hereof.

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

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in

accordance with the approved plans, specifications and designs as submitted to the Purchaser, the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Purchaser, the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

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

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

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

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

services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

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

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

order of the Purchaser, the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

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

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

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

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction

of the Project and the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance with Letters of Conditions, Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Letters of Conditions, the Loan Agreement, the Act and this Bond Legislation. The Issuer shall also comply with all applicable laws, rules and regulations issued by the Purchaser, the Authority and the Council, or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System. The Issuer shall provide the Council with copies of all documents submitted to the Purchaser and the Authority.

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

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

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

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

D. INFORMATION RETURN. To the extent legally required, the Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2004 Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2004 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

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

Section 7.21. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2004 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2004 Bonds; provided that the statutory mortgage lien of the Series 2004 Bonds shall be on a parity with the statutory mortgage lien of the Series 1997 Bonds.

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2004 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

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

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

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

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

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

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2004 Bonds as a condition to issuance of the Series 2004 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2004 Bonds as may be necessary in order to maintain the status of the Series 2004 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of

the Series 2004 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2004 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

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

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

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

(4) If default occurs with respect to the Series 1997 Bonds or the Prior Ordinances.

Notwithstanding anything herein to the contrary, if default occurs in the due and punctual payment of the principal of or interest on any series of the Series 2004 Bonds, it shall constitute an "Event of Default" with respect to the other series of the Series 2004 Bonds.

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

violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2004 A Bonds, Series 2004 B Bonds and the Series 2004 C Bonds shall be on a parity with each other, and with those of the Holders of the Series 1997 Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

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

ARTICLE XI

MISCELLANEOUS

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

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2004 Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

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

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, this Section shall not be applicable to the Loan Agreement or the Loan Resolution (Form FmHA 442-47); provided further that, in

the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Series 1997 Bonds are outstanding.

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

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

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in The Barbour Democrat, a newspaper of general circulation in The City of Belington, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	-	June 3, 2004
Passed on Second Reading:	-	June 17, 2004
Passed on Final Reading Following Public Hearing:	-	July 8, 2004

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF BELINGTON on the 8th day of July, 2004.

Dated: July 15, 2004.

[SEAL]

Susan Bradley

City Clerk

06/21/04
062490/00001

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2004 A
(United States Department of Agriculture),
Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B
(United States Department of Agriculture), and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE CITY OF BELINGTON; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE SERIES 2004 C BONDS; AUTHORIZING AND APPROVING THE SALE OF THE SERIES 2004 A BONDS AND THE SERIES 2004 B BONDS TO THE UNITED STATES DEPARTMENT OF AGRICULTURE AND THE SERIES 2004 C BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City Council (the "Governing Body") of The City of Belington (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective July 8, 2004 (the "Bond Ordinance" or the "Ordinance"), entitled:

> ORDINANCE AUTHORIZING THE REFUNDING OF THE WATER AND SEWER REVENUE BONDS OF 1971, SERIES B, OF THE CITY OF BELINGTON AND THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $350,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), NOT MORE THAN $1,700,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE) AND NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2004 A (United States Department of Agriculture), Combined Waterworks and Sewerage System Revenue Bonds,

Series 2004 B (United States Department of Agriculture), and Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), of the Issuer (collectively, the "Bonds" and individually, the "Series 2004 A Bonds," the "Series 2004 B Bonds" and the "Series 2004 C Bonds"), in the respective aggregate principal amounts not to exceed $350,000, $1,700,000 and $1,000,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2004 C Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 8, Article 20, Chapter 13, Article 2E and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Series 2004 A Bonds and the Series 2004 B Bonds are proposed to be purchased by the United States Department of Agriculture, acting for and on behalf of the United States of America (the "Purchaser") pursuant to the Letters of Conditions, and all amendments, and the Series 2004 C Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

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

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

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

A. Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2004 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $348,947. The Series 2004 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 4.5% per annum, with principal and interest payable in monthly installments, commencing 30 days following delivery of the Series 2004 A Bonds and continuing on the corresponding day of each month, in the amount of $1,602.00, except that the final installment shall be paid at the end of forty years from the date of the Series 2004 A Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2004 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2004 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

B. Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $1,351,053. The Series 2004 B Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 4.5% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2004 B Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of $6,202.00 on the corresponding day of each month, except that the final installment shall be paid at the end of forty years from the date of the Series 2004 B Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2004 B Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2004 B Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

C. Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered CR-1, in the principal amount of $1,000,000. The Series 2004 C Bonds shall be dated the date of delivery thereof, shall finally mature June, 1, 2044, and shall bear no interest. The principal of the Series 2004 C Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2006,

and maturing June 1, 2044, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2004 C Bonds. The Series 2004 C Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2004 C Bonds.

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

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The Issuer does hereby authorize, approve and accept the Letters of Conditions, and all amendments thereto, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon. The proceeds of the Series 2004 A Bonds shall be fully advanced on the Closing Date, pursuant to Section 7 hereof. The proceeds of the Series 2004 B Bonds and the Series 2004 C Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2004 C Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2004 C Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate Freedom Bank, Inc., Belington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. The Issuer shall use proceeds from the Series 2004 A Bonds in an amount equal to $348,946.72 to pay the United States Economic Development Administration

the entire outstanding principal of and all interest accrued on the Series 1971 Bonds on the Closing Date.

Section 8. All proceeds of the Series 2004 B Bonds shall be deposited in or credited to the Series 2004 B Bonds Construction Trust Fund as received from the Purchaser from time to time for payment of costs of the Project, including, without limitation, costs of issuance of the Series 2004 B Bonds and related costs.

Section 9. Series 2004 C Bonds proceeds in the amount of -0- shall be deposited in the Series 2004 C Bonds Sinking Fund, as capitalized interest.

Section 10. Series 2004 C Bonds proceeds in the amount of -0- shall be deposited in the Series 2004 C Bonds Reserve Account.

Section 11. All proceeds of the Series 2004 C Bonds shall be deposited in or credited to the Series 2004 C Bonds Construction Trust Fund as received from the Council from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2004 C Bonds and related costs.

Section 12. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2004 A Bonds and Series 2004 B Bonds may be delivered on or about July 15, 2004, to the Purchaser pursuant to the Letters of Conditions, and the Series 2004 C Bonds may be delivered on or about July 15, 2004, to the Authority pursuant to the Loan Agreement.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

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

Section 15. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

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

Adopted this 8th day of July, 2004.

THE CITY OF BELINGTON

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by The City of Belington on this 8th day of July, 2004.

Dated: July 15, 2004.

[SEAL]

Susan Bradley

City Clerk

07/06/04
062490/00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REFUNDING REVENUE BOND, SERIES 2004 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1 Date: July 15, 2004

FOR VALUE RECEIVED, THE CITY OF BELINGTON (the "Borrower") promises to pay to the order of the UNITED STATES OF AMERICA (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of THREE HUNDRED FORTY-EIGHT THOUSAND NINE HUNDRED FORTY-SEVEN DOLLARS ($348,947), plus interest on the unpaid principal balance at the rate of 4.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $1,602, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system (the "System") of the Borrower, is payable solely from the net revenues to be derived from the operation of the System in the manner provided in the hereinafter defined Ordinance. This Bond does not in any manner constitute an indebtedness of Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance and upon surrender and cancellation of this Bond.

Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 and Chapter 13, Article 2E of the West Virginia Code, as amended (collectively, the "Act"), and an Ordinance of the Borrower duly enacted on July 8, 2004, and a Supplemental Resolution of the Borrower duly adopted on July 8, 2004, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $475,000; (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $331,042; (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,351,053; AND (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 15, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000.

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

THE CITY OF BELINGTON

[CORPORATE SEAL]

By: _____
Its: Mayor
The City of Belington
Post Office Box 820
Belington, West Virginia 26250

SPECIMEN

ATTEST:

SPECIMEN

_____
City Clerk

SPECIMEN

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$348,946.82	July 15, 2004	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to___ _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, _____.

_____

In presence of:

_____

06/24/04
062490/00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2004 B
(UNITED STATES DEPARTMENT OF AGRICULTURE

No. BR-1 Date: July 15, 2004

FOR VALUE RECEIVED, THE CITY OF BELINGTON (the "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION THREE HUNDRED FIFTY-ONE THOUSAND FIFTY-THREE DOLLARS ($1,351,053), or such lesser amount as is set forth on the Record of Advances attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of 4.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $6,202, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment

of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system (the "System") of the Borrower, is payable solely from the net revenues to be derived from the operation of the System in the manner provided in the hereinafter defined Ordinance. This Bond does not in any manner constitute an indebtedness of Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Ordinance and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted on July 8, 2004, and a Supplemental Resolution of the Borrower duly adopted on July 8, 2004, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $475,000; (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $331,042; (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM

REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $348,947; AND (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 15, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,000,000.

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

THE CITY OF BELINGTON

[CORPORATE SEAL]

By: _____
Its: Mayor
The City of Belington
Post Office Box 926
Belington, West Virginia 26250

SPECIMEN

ATTEST:

_____
City Clerk

SPECIMEN

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 210,604.75	July 15, 2004	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to___ _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, _____.

_____

In presence of:

_____

06/21/04

062490/00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2004 C
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. CR-1 $1,000,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION DOLLARS ($1,000,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2006, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated July 15, 2004.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the waterworks portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as

amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on July 8, 2004, and a Supplemental Resolution duly adopted by the Issuer on July 8, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $331,042 (THE "SERIES 1997 B BONDS); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $348,947 (THE "SERIES 2004 A BONDS"); AND (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,351,053. THE SERIES 1997 A BONDS, THE SERIES 1997 B BONDS, THE SERIES 2004 A BONDS AND THE SERIES 2004 B BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "FIRST LIEN BONDS."

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

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

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated July 15, 2004.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: July 15, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

AMOUNT		DATE		AMOUNT	DATE
(1)	$39,017	July 15, 2004	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

EXHIBIT B

$1,000,000
City of Belington (West Virginia)
40 Years, 0% Interest Rate
Closing Date: July 15, 2004

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2004	-	-	-
12/01/2004	-	-	-
03/01/2005	-	-	-
06/01/2005	-	-	-
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	6,493.51	-	6,493.51
06/01/2006	6,493.51	-	6,493.51
09/01/2006	6,493.51	-	6,493.51
12/01/2006	6,493.51	-	6,493.51
03/01/2007	6,493.51	-	6,493.51
06/01/2007	6,493.51	-	6,493.51
09/01/2007	6,493.51	-	6,493.51
12/01/2007	6,493.51	-	6,493.51
03/01/2008	6,493.51	-	6,493.51
06/01/2008	6,493.51	-	6,493.51
09/01/2008	6,493.51	-	6,493.51
12/01/2008	6,493.51	-	6,493.51
03/01/2009	6,493.51	-	6,493.51
06/01/2009	6,493.51	-	6,493.51
09/01/2009	6,493.51	-	6,493.51
12/01/2009	6,493.51	-	6,493.51
03/01/2010	6,493.51	-	6,493.51
06/01/2010	6,493.51	-	6,493.51
09/01/2010	6,493.51	-	6,493.51
12/01/2010	6,493.51	-	6,493.51
03/01/2011	6,493.51	-	6,493.51
06/01/2011	6,493.51	-	6,493.51
09/01/2011	6,493.51	-	6,493.51
12/01/2011	6,493.51	-	6,493.51
03/01/2012	6,493.51	-	6,493.51
06/01/2012	6,493.51	-	6,493.51
09/01/2012	6,493.51	-	6,493.51
12/01/2012	6,493.51	-	6,493.51
03/01/2013	6,493.51	-	6,493.51
06/01/2013	6,493.51	-	6,493.51
09/01/2013	6,493.51	-	6,493.51
12/01/2013	6,493.51	-	6,493.51
03/01/2014	6,493.51	-	6,493.51
06/01/2014	6,493.51	-	6,493.51
09/01/2014	6,493.51	-	6,493.51
12/01/2014	6,493.51	-	6,493.51
03/01/2015	6,493.51	-	6,493.51
06/01/2015	6,493.51	-	6,493.51

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2015	6,493.51	-	6,493.51
12/01/2015	6,493.51	-	6,493.51
03/01/2016	6,493.51	-	6,493.51
06/01/2016	6,493.51	-	6,493.51
09/01/2016	6,493.51	-	6,493.51
12/01/2016	6,493.51	-	6,493.51
03/01/2017	6,493.51	-	6,493.51
06/01/2017	6,493.51	-	6,493.51
09/01/2017	6,493.51	-	6,493.51
12/01/2017	6,493.51	-	6,493.51
03/01/2018	6,493.51	-	6,493.51
06/01/2018	6,493.51	-	6,493.51
09/01/2018	6,493.51	-	6,493.51
12/01/2018	6,493.51	-	6,493.51
03/01/2019	6,493.51	-	6,493.51
06/01/2019	6,493.51	-	6,493.51
09/01/2019	6,493.51	-	6,493.51
12/01/2019	6,493.51	-	6,493.51
03/01/2020	6,493.51	-	6,493.51
06/01/2020	6,493.51	-	6,493.51
09/01/2020	6,493.51	-	6,493.51
12/01/2020	6,493.51	-	6,493.51
03/01/2021	6,493.51	-	6,493.51
06/01/2021	6,493.51	-	6,493.51
09/01/2021	6,493.51	-	6,493.51
12/01/2021	6,493.51	-	6,493.51
03/01/2022	6,493.51	-	6,493.51
06/01/2022	6,493.51	-	6,493.51
09/01/2022	6,493.51	-	6,493.51
12/01/2022	6,493.51	-	6,493.51
03/01/2023	6,493.51	-	6,493.51
06/01/2023	6,493.51	-	6,493.51
09/01/2023	6,493.51	-	6,493.51
12/01/2023	6,493.51	-	6,493.51
03/01/2024	6,493.51	-	6,493.51
06/01/2024	6,493.51	-	6,493.51
09/01/2024	6,493.51	-	6,493.51
12/01/2024	6,493.51	-	6,493.51
03/01/2025	6,493.51	-	6,493.51
06/01/2025	6,493.51	-	6,493.51
09/01/2025	6,493.51	-	6,493.51
12/01/2025	6,493.51	-	6,493.51
03/01/2026	6,493.51	-	6,493.51
06/01/2026	6,493.51	-	6,493.51

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2026	6,493.51	-	6,493.51
12/01/2026	6,493.51	-	6,493.51
03/01/2027	6,493.51	-	6,493.51
06/01/2027	6,493.51	-	6,493.51
09/01/2027	6,493.51	-	6,493.51
12/01/2027	6,493.51	-	6,493.51
03/01/2028	6,493.51	-	6,493.51
06/01/2028	6,493.51	-	6,493.51
09/01/2028	6,493.51	-	6,493.51
12/01/2028	6,493.51	-	6,493.51
03/01/2029	6,493.51	-	6,493.51
06/01/2029	6,493.51	-	6,493.51
09/01/2029	6,493.51	-	6,493.51
12/01/2029	6,493.51	-	6,493.51
03/01/2030	6,493.51	-	6,493.51
06/01/2030	6,493.51	-	6,493.51
09/01/2030	6,493.51	-	6,493.51
12/01/2030	6,493.51	-	6,493.51
03/01/2031	6,493.50	-	6,493.50
06/01/2031	6,493.50	-	6,493.50
09/01/2031	6,493.50	-	6,493.50
12/01/2031	6,493.50	-	6,493.50
03/01/2032	6,493.50	-	6,493.50
06/01/2032	6,493.50	-	6,493.50
09/01/2032	6,493.50	-	6,493.50
12/01/2032	6,493.50	-	6,493.50
03/01/2033	6,493.50	-	6,493.50
06/01/2033	6,493.50	-	6,493.50
09/01/2033	6,493.50	-	6,493.50
12/01/2033	6,493.50	-	6,493.50
03/01/2034	6,493.50	-	6,493.50
06/01/2034	6,493.50	-	6,493.50
09/01/2034	6,493.50	-	6,493.50
12/01/2034	6,493.50	-	6,493.50
03/01/2035	6,493.50	-	6,493.50
06/01/2035	6,493.50	-	6,493.50
09/01/2035	6,493.50	-	6,493.50
12/01/2035	6,493.50	-	6,493.50
03/01/2036	6,493.50	-	6,493.50
06/01/2036	6,493.50	-	6,493.50
09/01/2036	6,493.50	-	6,493.50
12/01/2036	6,493.50	-	6,493.50
03/01/2037	6,493.50	-	6,493.50
06/01/2037	6,493.50	-	6,493.50

Debt Service Schedule

Date	Principal	Coupon	Total P+I
09/01/2037	6,493.50	-	6,493.50
12/01/2037	6,493.50	-	6,493.50
03/01/2038	6,493.50	-	6,493.50
06/01/2038	6,493.50	-	6,493.50
09/01/2038	6,493.50	-	6,493.50
12/01/2038	6,493.50	-	6,493.50
03/01/2039	6,493.50	-	6,493.50
06/01/2039	6,493.50	-	6,493.50
09/01/2039	6,493.50	-	6,493.50
12/01/2039	6,493.50	-	6,493.50
03/01/2040	6,493.50	-	6,493.50
06/01/2040	6,493.50	-	6,493.50
09/01/2040	6,493.50	-	6,493.50
12/01/2040	6,493.50	-	6,493.50
03/01/2041	6,493.50	-	6,493.50
06/01/2041	6,493.50	-	6,493.50
09/01/2041	6,493.50	-	6,493.50
12/01/2041	6,493.50	-	6,493.50
03/01/2042	6,493.50	-	6,493.50
06/01/2042	6,493.50	-	6,493.50
09/01/2042	6,493.50	-	6,493.50
12/01/2042	6,493.50	-	6,493.50
03/01/2043	6,493.50	-	6,493.50
06/01/2043	6,493.50	-	6,493.50
09/01/2043	6,493.50	-	6,493.50
12/01/2043	6,493.50	-	6,493.50
03/01/2044	6,493.50	-	6,493.50
06/01/2044	6,493.50	-	6,493.50
Total	**$1,000,000.00**	-	**$1,000,000.00**

ASSIGNMENT

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

_____

the within Bond and does hereby irrevocably constitute and appoint

_____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

07/07/04
062490/00001

THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2012 A
(WEST VIRGINIA INFRASTRUCTURE FUND);
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2012 B
(UNITED STATES DEPARTMENT OF AGRICULTURE); AND
COMBINED WATERWORKS AND SEWERAGE
SYSTEM REVENUE BONDS, SERIES 2012 C
(UNITED STATES DEPARTMENT OF AGRICULTURE)

BOND ORDINANCE

Table of Contents

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01	Authority for this Ordinance
Section 1.02	Findings
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01	Authorization of Acquisition and Construction of the Project

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

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration
Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds not to be Indebtedness of the Issuer
Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds
Section 3.09	Delivery of Bonds
Section 3.10	Form of Series 2012 Bonds

FORM OF SERIES 2012 A BOND
FORM OF SERIES 2012 B BOND
FORM OF SERIES 2012 C BOND
Section 3.11 Sale of Bonds; Approval and Ratification of Execution of Loan Agreement
Section 3.12 Filing of Amended Schedule

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01 Establishment of Funds and Accounts with Depository Bank
Section 5.02 Establishment of Funds and Accounts with Commission
Section 5.03 System Revenues; Flow of Funds

ARTICLE VI
APPLICATION OF BOND PROCEEDS

Section 6.01 Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
Section 6.02 Disbursements of Bonds Proceeds

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01 General Covenants of the Issuer
Section 7.02 Bonds not to be Indebtedness of the Issuer
Section 7.03 Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds
Section 7.04 Rates and Charges
Section 7.05 Sale of the System
Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07 Parity Bonds
Section 7.08 Books; Records and Audit
Section 7.09 Rates
Section 7.10 Operating Budget and Monthly Financial Report
Section 7.11 Engineering Services and Operating Personnel
Section 7.12 No Competing Franchise
Section 7.13 Enforcement of Collections
Section 7.14 No Free Services
Section 7.15 Insurance and Construction Bonds
Section 7.16 Mandatory Connections
Section 7.17 Completion of Project; Permits and Orders
Section 7.18 Compliance with Loan Agreement, Letter of Conditions and Law
Section 7.19 Statutory Mortgage Lien
Section 7.20 Securities Laws Compliance

Section 7.21 Contracts; Change Orders; Public Releases

ARTICLE VIII
INVESTMENT OF FUNDS

Section 8.01 Investments
Section 8.02 Certificate as to Use of Proceeds

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01 Events of Default
Section 9.02 Remedies
Section 9.02 Appointment of Receiver

ARTICLE X
PAYMENT OF BONDS

Section 10.01 Payment of Bonds

ARTICLE XI
MISCELLANEOUS

Section 11.01 Amendment or Modification of Bond Legislation
Section 11.02 Bond Legislation Constitutes Contract
Section 11.03 Severability of Invalid Provisions
Section 11.04 Headings, Etc.
Section 11.05 Conflicting Provisions Repealed
Section 11.06 Covenant of Due Procedure, Etc.
Section 11.07 Statutory Notice and Public Hearing
Section 11.08 Effective Date
SIGNATURES
CERTIFICATION

THE CITY OF BELINGTON

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,250,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE FUND); NOT MORE THAN $1,750,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE); NOT MORE THAN $1,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 C (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELINGTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

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

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

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund (the "Infrastructure Fund") for the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the United States Department of Agriculture (the "Purchaser") pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, in three or more series in the total aggregate principal amount of not more than $5,100,000 (the "Series 2012 Bonds"), being the Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund) in the aggregate principal amount of $2,250,000 (the "Series 2012 A Bonds"), Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 B (United States Department of Agriculture) in the aggregate principal amount of $1,750,000 (the "Series 2012 B Bonds"), and Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 C (United States Department of Agriculture) in the aggregate principal amount of $1,100,000 (the "Series 2012 C Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2012 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2012 Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2012 Bonds and such other expenses as may be necessary or incidental to the financing herein

authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2012 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2012 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "Loan Agreement") by and between the Issuer and the Authority on behalf of the Council, in form satisfactory to the respective parties, and that the Series 2012 B Bonds and Series 2012 C Bonds be sold to the Purchaser pursuant to the terms and provisions of the Letter of Conditions dated May 1, 2003 and all amendments thereto, if any, (collectively, the "Letter of Conditions") all of which are approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2012 Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (1) Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original aggregate principal amount of $475,000 (the "Series 1997 A Bonds"); (2) Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, issued in the original aggregate principal amount of $331,042 (the "Series 1997 B Bonds"); (3) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2004 A (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $348,947 (the "Series 2004 A Bonds"); (4) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $1,351,053 (the "Series 2004 B Bonds"); and (5) Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), dated July 15, 2004, issued in the original aggregate principal amount of $1,000,000 (the "Series 2004 C Bonds") (collectively, the "Prior Bonds").

The Series 2012 Bonds shall be issued on a parity with Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2012 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds have been met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2012 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation

and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein and in the Prior Ordinances (as hereinafter defined).

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2012 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council pursuant to Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2012 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2012 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means, collectively, the Series 2012 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Clerk" means the Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2012 Bonds for all or a portion of the proceeds of the Series 2012 Bonds from the Authority.

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

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

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

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

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

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

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

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

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

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

"Grants" means, collectively, all grant monies received by the Issuer for the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenue" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees as hereinafter defined.

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

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

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

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated May 1, 2003, and all amendments thereto, if any.

"Loan Agreement" means the loan agreement heretofore entered, or to be entered into by and between the Issuer and the Authority on behalf of the Council, providing for the purchase of the Series 2012 A Bonds, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2012 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2012 Bonds Reserve Accounts.

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

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

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2012 Bonds by the Issuer in the Supplemental Resolution with the written consent of the Authority and the Council.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Prior Bonds" means, collectively, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 2004 A Bonds, the Series 2004 B Bonds and the Series 2004 C Bonds.

"Prior Ordinances" means, collectively, the ordinances of the Issuer authorizing the Prior Bonds.

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

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

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above, or fully insured by FDIC with member banks of the Federal Reserve System or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the

principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended including, without limitation, authorized pools of investments operated by such State Board of Investments;

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Prior Ordinances and continued hereby.

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2012 Bonds and the Prior Bonds.

"Reserve Requirement" means collectively, the respective amounts required to be on deposit in any Reserve Account.

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

"Series 1997 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1997 A (West Virginia Water Development Authority), dated March 3, 1997, issued in the original aggregate principal amount of $475,000.

"Series 1997 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Design Revenue Bonds, Series 1997 B (West Virginia SRF Program), dated August 26, 1997, issued in the original aggregate principal amount of $331,042.

"Series 2004 A Bonds" means the Issuer's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2004 A (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $348,947.

"Series 2004 B Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 B (United States Department of Agriculture), dated July 15, 2004, issued in the original aggregate principal amount of $1,351,053.

"Series 2004 C Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2004 C (West Virginia Infrastructure Fund), dated July 15, 2004, issued in the original aggregate principal amount of $1,000,000.

"Series 2012 Bonds" means collectively, the Series 2012 A Bonds, the Series 2012 B Bonds and the Series 2012 C Bonds.

"Series 2012 Bonds Construction Trust Fund" means the Series 2012 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2012 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2012 A Bonds Reserve Account" means the Series 2012 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2012 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 A Bonds in the then current or any succeeding year.

"Series 2012 A Bonds Sinking Fund" means the Series 2012 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2012 B Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 B (United States Department of Agriculture), of the Issuer, authorized by this Ordinance.

"Series 2012 B Bonds Reserve Account" means the Series 2012 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2012 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 B Bonds in the then current or any succeeding year.

"Series 2012 C Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 C (United States Department of Agriculture), of the Issuer, authorized by this Ordinance.

"Series 2012 C Bonds Reserve Account" means the Series 2012 C Bonds Reserve Account established by Section 5.02 hereof.

"Series 2012 C Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 C Bonds in the then current or any succeeding year.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2012 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2012 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2012 Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means the existing combined waterworks and sewerage system of the Issuer, as expanded and improved by the Project, and includes the complete waterworks and sewerage system of the Issuer and all waterworks and sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the combined waterworks and sewerage system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the combined waterworks and sewerage system after the completion of the Project.

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of not to exceed $8,735,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2012 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount compatible with the financing plan submitted to the Council and the Authority.

The cost of the project is estimated not to exceed $8,735,000 of which an amount of approximately $2,250,000 will be obtained from the proceeds of the 2012 A Bonds; an amount not to exceed $1,750,000 will be obtained from the proceeds of the 2012 B Bonds, an amount not to exceed $1,100,000 will be obtained from the proceeds of the 2012 C Bonds, an amount of $2,993,000 will be obtained from the proceeds of grants from the Purchaser and $642,000 will be obtained from a grant from the Council.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying a portion of Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2012 Bonds of the Issuer. The Series 2012 Bonds shall be issued as three bonds, designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund)", in the principal amount of not more than $2,250,000 (the "Series 2012 A Bonds"), "Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 B (United States Department of Agriculture)", in the principal amount of not more than $1,750,000 (the "Series 2012 B Bonds"), and "Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 C (United States Department of Agriculture)", in the principal amount of not more than $1,100,000 (the "Series 2012 C Bonds") and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2012 Bonds remaining after funding of the respective Series 2012 Bonds Reserve Accounts (if funded from Bond proceeds) and capitalizing interest on the respective Series 2012 Bonds, if any, shall be deposited in or credited to the Series 2012 Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds.

A. The Series 2012 A Bonds shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2012 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2012 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2012 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 2012 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2012 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

B. The Series 2012 B Bonds shall be issued in one or more series, only as a fully registered Bond in an aggregate principal amount to be prescribed in the Supplemental Resolution, and shall be dated on the date of delivery thereof. The Series 2012 B Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 2.75% per annum, which interest rate shall be prescribed in the Supplemental Resolution and shall be sold for the par value thereof.

The Series 2012 B Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

C. The Series 2012 C Bonds shall be issued in one or more series, only as a fully registered Bond in an aggregate principal amount to be prescribed in the Supplemental Resolution, and shall be dated on the date of delivery thereof. The Series 2012 C Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed _4.5% per annum, which interest rate shall be prescribed in the Supplemental Resolution and shall be sold for the par value thereof.

The Series 2012 C Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall have such terms as specified in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2012 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2012 Bonds shall cease to be such officer of the Issuer before the Series 2012 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2012 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration.

A. No Series 2012 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2012 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

B. The Issuer shall be the Bond Registrar with respect to the Series 2012 B Bonds and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2012 B Bonds, and upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2012 B Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2012 B Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2012 B Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2012 B Bonds shall be registered in the name of the United States of America, the address of the United States of America for

registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

C. The Issuer shall be the Bond Registrar with respect to the Series 2012 C Bonds and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2012 C Bonds, and upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2012 C Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2012 C Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2012 C Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2012 C Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2012 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2012 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2012 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2012 Bonds shall be transferable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2012 Bonds or transferring the registered Series 2012 Bonds is exercised, all Series 2012 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2012 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond

Registrar. For every such exchange or transfer of Series 2012 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2012 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2012 Bonds or, in the case of any proposed redemption of Series 2012 Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2012 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2012 Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2012 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of all Series 2012 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2012 Bonds and the Prior Bonds and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds.

A. The Issuer shall execute and deliver the Series 2012 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2012 A Bonds to the original purchasers upon receipt of the documents set forth below:

1. If other than the Authority, a list of the names in which the Series 2012 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

2. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2012 A Bonds to the original purchasers;

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

4. An executed copy of the Loan Agreement; and

5. The unqualified approving opinion of bond counsel on the Series 2012 A Bonds.

B. With respect to the Series 2012 B Bonds, the Mayor is hereby authorized and directed to cause such Bonds, hereby awarded to the Purchaser pursuant to the Letter of Conditions, to be delivered to the Purchaser on the date of delivery.

C. With respect to the Series 2012 C Bonds, the Mayor is hereby authorized and directed to cause such Bonds, hereby awarded to the Purchaser pursuant to the Letter of Conditions, to be delivered to the Purchaser on the date of delivery.

Section 3.10. Form of Series 2012 Bonds. The text of the Series 2012 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2012 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2012 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

$_____

KNOW ALL MEN BY THESE PRESENTS: That on this ___ day of ___ _____, 2012, THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, to and including ____ _____1, 20__, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority on behalf of the Council, dated _____, 2012.

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

This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $331,042 (THE "SERIES 1997 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $348,947 (THE "SERIES 2004 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,351,053 (THE "SERIES 2004 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 2004 C BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2012 B BONDS"); AND (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2012 C BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 2012 B Bonds, Series 2012 C Bonds, Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2012 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay principal of and interest on all bonds which may be issued pursuant to the Act and

which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2012 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2012 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with, or subordinate to, the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated as of the date first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

_____

In the presence of:

_____

(FORM OF SERIES 2012 B BOND)

THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2012 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$_____

No. BR-1 Date: _____, 2012

FOR VALUE RECEIVED, THE CITY OF BELINGTON (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS $_____), plus interest on the unpaid principal balance at the rate of ____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond is issued to (i) pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewer portion of the existing combined waterworks and sewerage system (the "System") of the Issuer, and (ii) pay costs of issuance and related costs.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the Registered Owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted on _____, 2012 as supplemented by Supplemental Resolution of the Issuer duly adopted on _____, 2012, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $331,042 (THE "SERIES 1997 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $348,947 (THE "SERIES 2004 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,351,053 (THE "SERIES 2004 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 2004 C BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2012 A BONDS"); AND (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 C (UNITED STATES DEPARTMENT OF

AGRICULTURE), DATED _____, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2012 C BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion or wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, all as of the date hereinabove written.

THE CITY OF BELINGTON

[CORPORATE SEAL]

_____
Mayor

P. O. Box 926
Belington, West Virginia 26250

ATTEST:

_____
Clerk

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, 20___.

_____

In presence of:

_____

(FORM OF SERIES 2012 C BOND)

THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2012 C
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$_____

No. CR-1 Date: _____, 2012

FOR VALUE RECEIVED, THE CITY OF BELINGTON (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____DOLLARS ($_____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond is issued to (i) pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewer portion of the existing combined waterworks and sewerage system (the "System") of the Issuer, and (ii) pay costs of issuance and related costs.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the Registered Owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted on _____, 2012 as supplemented by Supplemental Resolution of the Issuer duly adopted on _____, 2012, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $331,042 (THE "SERIES 1997 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $348,947 (THE "SERIES 2004 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,351,053 (THE "SERIES 2004 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 2004 C BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2012 A BONDS"); AND (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF

AGRICULTURE), DATED _____, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2012 B BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion or wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, all as of the date hereinabove written.

THE CITY OF BELINGTON

[CORPORATE SEAL]

_____
Mayor

P.O. Box 926
Belington, West Virginia 26250

ATTEST:

_____
Clerk

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, 20___.

_____

In presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2012 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement and all schedules and exhibits attached thereto are hereby approved and ratified and incorporated into this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule for the Series 2012 Bonds, the form of which will be provided by the Authority and the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Ordinances);

(2) Renewal and Replacement Fund (established by the Prior Ordinances); and

(3) Series 2012 Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by the Prior Ordinances) with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1997 A Bonds Sinking Fund (established by the Prior Ordinances);

(2) Series 1997 A Bonds Reserve Account (established by the Prior Ordinances);

(3) Series 1997 B Bonds Sinking Fund Account (established by the Prior Ordinances);

(4) Series 1997 B Bonds Reserve Account (established by the Prior Ordinances);

(5) Series 2004 A Bonds Reserve Account (established by the Prior Ordinances);

(6) Series 2004 B Bonds Reserve Account (established by the Prior Ordinances);

(7) Series 2004 C Bonds Sinking Fund Account (established by the Prior Ordinances);

(8) Series 2004 C Bonds Reserve Account (established by the Prior Ordinances);

(9) Series 2012 A Bonds Sinking Fund Account;

(10) Series 2012 A Bonds Reserve Account;

(11) Series 2012 B Bonds Reserve Account; and

(12) Series 2012 C Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

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

(1) The Issuer shall first, each month, transfer from the Revenue Fund to pay current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit (i) to the National Finance Office the amount required by Prior Ordinances to pay interest on the Series 2004 A Bonds and Series 2004 B Bonds; (ii) to the Commission the amount required by Prior Ordinances to pay interest on the Series 1997 A Bonds and Series 1997 B

Bonds; (iii) beginning 30 days following the Closing Date, remit to the National Finance Office, the amounts required to pay the interest on the Series 2012 B Bonds; and (iv) beginning 30 days following the Closing Date, remit to the National Finance Office, the amounts required to pay the interest on the Series 2012 C Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the National Finance Office the amount required by Prior Ordinances to pay principal on the Series 2004 A Bonds and Series 2004 B Bonds; (ii) to the Commission the amount required by Prior Ordinances to pay principal on the Series 1997 A Bonds, Series 1997 B Bonds and Series 2004 C Bonds, as required by the Prior Ordinances; (iii) to the Commission commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, for deposit in the Series 2012 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2012 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2012 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; (iv) to the National Finance Office on or before the due date thereof, commencing 24 months following the date of delivery of the Series 2012 B Bonds, the amount required to amortize the principal of the Series 2012 B Bonds over the life of the bond issue; and (v) to the National Finance Office on or before the due date thereof, commencing 24 months following the date of delivery of the Series 2012 C Bonds, the amount required to amortize the principal of the Series 2012 C Bonds over the life of the bond issue.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective reserve accounts for the Prior Bonds, the amounts required by the Prior Ordinances to be deposited therein; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2012 A Bonds, if not fully funded upon issuance of the Series 2012 Bonds, for deposit in the Series 2012 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2012 A Bonds

Reserve Requirement; (iii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2012 B Bonds Reserve Account, 10% of the monthly payment amount, calculated monthly, until the amount in the Series 2012 B Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into the Series 2012 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Minimum Reserve; and (iv) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2012 C Bonds Reserve Account, 10% of the monthly payment amount, calculated monthly, until the amount in the Series 2012 C Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into the Series 2012 C Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Minimum Reserve.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2012 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2012 A Bonds as the same shall become due. Monies in the Series 2012 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2012 A Bonds as the

same shall come due, when other monies in the Series 2012 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

Monies in the Series 2012 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2012 B Bonds as the same shall come due, when other monies are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2012 B Bonds Reserve Account shall be sufficient to prepay the Series 2012 B Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2012 B Bonds, together with accrued interest thereon to such prepayment date.

Monies in the Series 2012 C Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2012 C Bonds as the same shall come due, when other monies are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2012 C Bonds Reserve Account shall be sufficient to prepay the Series 2012 C Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2012 C Bonds, together with accrued interest thereon to such prepayment date.

All investment earnings on monies in the Series 2012 A Bonds Sinking Fund, Series 2012 A Bonds Reserve Account, Series 2012 B Bonds Reserve Account and Series 2012 C Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2012 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2012 Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the respective Series 2012 Bonds Reserve Accounts which result in a reduction in the balance of the respective Series 2012 Bonds Reserve Account to below the respective Series 2012 Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2012 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2012 A Bonds Sinking Fund, the Series 2012 A Bonds Reserve Account, the Series 2012 B Bonds Reserve Account or the Series 2012 C Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the respective Series 2012 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and Series 2012 Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2012 A Bonds Sinking Fund, the Series 2012 A Bonds Reserve Account, the Series 2012 B Bonds Reserve Account and the Series 2012 C Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into the Series 2012 A Bonds Sinking Fund, the Series 2012 A Bonds Reserve Account, the Series 2012 B Bonds Reserve Account and the Series 2012 C Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2012 A Bonds Sinking Fund, the Series 2012 A Bonds Reserve Account, the Series 2012 B Bonds Reserve Account and the Series 2012 C Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2012 A Bonds Sinking Fund, the Series 2012 A Bonds Reserve Account, the Series 2012 B Bonds Reserve Account and the Series 2012 C Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2012 Bonds, respectively, under the conditions and restrictions set forth herein.

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

C. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2012 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds.

A. From the monies received from the sale of the Series 2012 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

1. From the proceeds of the Series 2012 A Bonds, there shall first be deposited with the Commission in the Series 2012 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2012 A Bonds for the period commencing on the date of issuance of the Series 2012 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

2. Next, from the proceeds of the Series 2012 A Bonds, there shall be deposited with the Commission in the Series 2012 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2012 A Bonds Reserve Account.

3. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 Bonds Construction Trust Fund and applied solely to payment of the Costs of the Project in the manner set forth in

Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2012 A Bonds.

4. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2012 A Bonds shall be expended as approved by the Council.

B. From the monies received from the sale of the Series 2012 B Bonds and Series 2012 C Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

1. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 B Bonds and Series 2012 C Bonds, such monies shall be deposited with the Depository Bank in the Series 2012 Bonds Construction Trust Fund and applied solely to payment of the Costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2012 B Bonds and Series 2012 C Bonds.

2. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2012 B Bonds and Series 2012 C Bonds shall be expended as approved by the Purchaser.

Section 6.02. Disbursements of Bond Proceeds.

A. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2012 A Bonds from the Series 2012 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council of a certificate signed by an Authorized Officer stating that:

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

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

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

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

B. The proceeds of the Series 2012 B Bonds in the Series 2012 Bonds Construction Trust Fund shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

C. The proceeds of the Series 2012 C Bonds in the Series 2012 Bonds Construction Trust Fund shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Pending such application, monies in the Series 2012 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2012 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2012 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2012 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2012 Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2012 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2012 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2012 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the water rate ordinance enacted on September 5, 2002, which ordinance was amended by Recommended Decision entered on January 7, 2003 by the Public Service Commission of West Virginia in Case No. 02-1643-W-MA setting forth the respective rates and charges for the services of the water portion of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal, and such rate ordinance is currently in effect. The Issuer has duly enacted a sewer rate ordinance on February 18, 2010 which ordinance was amended by Recommended Decision entered on July 1, 2010 by the Public Service Commission of West Virginia in Case No. 10-0373-S-MA setting forth the respective rates and charges for the services of the sewerage portion of the System. The time for appeal of the Commission Order has expired prior to the date hereof. Such Order is in full force and effect.

So long as the Series 2012 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2012 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System or any part thereof, except as provided in the Prior Ordinances.

So long as the Series 2012 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2012 A Bonds, immediately be remitted to the Commission for deposit in the Series 2012 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to immediately apply such proceeds to the payment of principal of and interest on the Series 2012 A Bonds. Any balance remaining after the payment of all the Series 2012 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless

necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

Additionally, the System will not be sold without the written consent of the Purchaser so long as the Series 2012 B Bonds and Series 2012 C Bonds are outstanding.

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

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for herein, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2012 Bonds. All obligations issued by the Issuer after the issuance of the Series 2012 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2012 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

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

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2012 Bonds pursuant to this Ordinance, without the prior written consent of the Authority, the Council and the Purchaser and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions extensions, improvements or betterments to the System or refunding any outstanding Bonds, or both such purposes.

So long as the Series 2004 A Bonds, Series 2004 B Bonds, Series 2012 B Bonds or Series 2012 C Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds Outstanding;

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

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2004 A Bonds, Series 2004 B Bonds, Series 2012 B Bonds and Series 2012 C Bonds representing 75% of the then-outstanding principal indebtedness.

So long as the Series 1997 A Bonds, Series 1997 B Bonds, Series 2004 C Bonds or Series 2012 A Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the

date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and this Bond Legislation then Outstanding; and

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

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

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

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

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

equally, as to the lien on and source of and security for payment from such revenues, with the Bonds.

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

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

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

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

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

The Issuer shall file with the Purchaser, the Council and the Authority, or any other original purchaser of the Series 2012 Bonds, and shall mail in each year to any Holder or Holders of the Series 2012 Bonds, requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2012 Bonds and shall submit said report to the Purchaser, the Authority and the Council, or any other original purchaser of the Series 2012 Bonds. Such audit report submitted to the Purchaser, the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

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

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

Section 7.09. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Ordinances. Prior to the issuance of the Series 2012 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the

Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules 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 hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2012 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2012 Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Series 2012 Bonds Reserve Accounts and any reserve accounts for obligations on a parity with, or subordinate to, the Series 2012 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2012 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2012 Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Independent Certified Public Accountant that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

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

and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and on behalf of such Holder of any Bonds.

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Purchaser, the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Purchaser, the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Purchaser, the Authority and the Council covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Purchaser, the Council, the Authority and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Authority. Following completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of the System or the water system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water system is not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders thereof.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that so long as the Series 2012 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein

for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the facilities of the System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the

Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the Council. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the sewerage portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 20-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2012 Bonds required by State law, with all appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreement, Letter of Conditions and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement, the Letter of Conditions, the Act and this Bond Legislation. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority. The Issuer agrees to comply with all applicable laws, rules and regulations issued by the Purchaser, the Authority, the Council or

other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia in the manner prescribed by and the guidelines established by the Authority and the PSC.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2012 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2012 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2012 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Purchaser and the Council for written approval. The Issuer shall obtain the written approval of the Purchaser and the Council before expending any proceeds of the Series 2012 Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Purchaser and the Council before expending any proceeds of the Series 2012 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being provided by the Council and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written

direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2012 Bonds as a condition to issuance of the Series 2012 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2012 Bonds as may be necessary in order to maintain the status of the Series 2012 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of proceeds of the Series 2012 Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2012 Bonds are delivered, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2012 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2012 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2012 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its respective part relating to the Series 2012 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2012 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

(3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(4) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of the Series 2012 Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2012 Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2012 Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2012 Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2012 Bonds shall be on a parity with each other the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after

commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2012 Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2012 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Except through such direct payment to the Holder of the Series 2012 B Bonds and Series 2012 C Bonds, the Issuer may not defease the Series 2012 B Bonds or Series 2012 C Bonds or otherwise provide for payment thereof by escrow or like manner.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2012 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2012 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2012 Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2012 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2012 Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2012 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2012 Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall

not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2012 Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Barbour Democrat , a newspaper published and of general circulation in The City of Belington, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2012 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Passed on First Reading:	June 7, 2012
Passed on Second Reading:	June 21, 2012
Passed on Final Reading Following Public Hearing:	July 19, 2012

Mayor

5340190

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF BELINGTON on the 19th day of July, 2012.

Dated: September 20, 2012.

[SEAL]

Susan Bradley

Clerk

062490.00004

5340190

THE CITY OF BELINGTON

Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A
(West Virginia Infrastructure Fund);
Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 B
(United States Department of Agriculture); and
Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 C
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE FUND), COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), AND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 C (UNITED STATES DEPARTMENT OF AGRICULTURE) OF THE CITY OF BELINGTON; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of The City of Belington (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective July 19, 2012 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF BELINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,250,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE FUND); NOT MORE THAN $1,750,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE); NOT MORE THAN $1,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE

SYSTEM REVENUE BONDS, SERIES 2012 C (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Ordinance when used herein;

WHEREAS, the Bond Ordinance provides for the issuance of the (i) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), of the Issuer, in the aggregate principal amount not to exceed $2,250,000 (the "Series 2012 A Bonds"), (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 B (United States Department of Agriculture), of the Issuer, in the aggregate principal amount not to exceed $1,750,000 (the "Series 2012 B Bonds"), and (iii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 C (United States Department of Agriculture), of the Issuer, in the aggregate principal amount not to exceed $1,100,000 (the "Series 2012 C Bonds") and has authorized the execution and delivery of a loan agreement relating to the Series 2012 A Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Series 2012 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement;

WHEREAS, the Series 2012 B Bonds and Series 2012 C Bonds are proposed to be purchased by the United States Department of Agriculture, acting for and on behalf of the United States of America (the "Purchaser") pursuant to a Letter of Conditions, and all amendments; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BELINGTON:

Section 1. Section 2.01 of the Bond Ordinance is hereby revised in its entirety as follows:

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of not to exceed $7,985,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2012 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount compatible with the financing plan submitted to the Council and the Authority.

The cost of the project is estimated not to exceed $7,985,000 of which an amount of approximately $1,250,000 will be obtained from the proceeds of the 2012 A Bonds; an amount not to exceed $1,750,000 will be obtained from the proceeds of the 2012 B Bonds, an amount not to exceed $1,100,000 will be obtained from the proceeds of the 2012 C Bonds, an amount of $3,243,000 will be obtained from the proceeds of grants from the Purchaser and $642,000 will be obtained from a grant from the Council.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the:

A. Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,250,000. The Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2052, and shall bear no interest. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014, to and including September 1, 2052, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

B. Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 B (United States Department of Agriculture), of the Issuer, originally represented by a single bond, numbered BR-1 in the principal amount of $1,750,000. The Series 2012 B Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 2.125% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2012 B Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of $5,600 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2012 B Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2012 B Bonds, all such payments to be made at the National

Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2012 B Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

C. Combined Waterworks and Sewerage System Revenue Bonds, Series 2012 C (United States Department of Agriculture), of the Issuer, originally represented by a single bond, numbered CR-1 in the principal amount of $1,100,000. The Series 2012 C Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 3.5% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2012 C Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of $4,367 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2012 C Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2012 C Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2012 C Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 3. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 4. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar"), for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 7. The Issuer does hereby appoint and designate Freedom Bank, Belington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 2012 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2012 A Bonds Sinking Fund, as capitalized interest.

Section 9. Series 2012 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2012 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 2012 Bonds Construction Trust Fund as received from the Council from time to time for payment of costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the 2012 Bonds to be issued hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2012 A Bonds may be delivered on or about September 20, 2012, to the Authority pursuant to the Loan Agreement, and the Series 2012 B Bonds and Series 2012 C Bonds may be delivered on or about September 20, 2012, to the Purchaser pursuant to the Letter of Conditions.

Section 12. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 6th day of September, 2012.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Belington on the 6th day of September, 2012.

Dated: September 20, 2012.

[SEAL]

Susan Bradley

Clerk

062490.00004

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BELINGTON
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND NUMBER	BOND DATE	DELIVERY DATE	AMOUNT
No. AR-1	SEPTEMBER 20, 2012	SEPTEMBER 24, 2012	$1,250,000

KNOW ALL MEN BY THESE PRESENTS: THE CITY OF BELINGTON, a municipal corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS ($1,250,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2014, to and including September 1, 2052, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority on behalf of the Council, dated September 20, 2012.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewer portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on July 19, 2012, and a Supplemental Resolution duly adopted by the Issuer on September 6, 2012 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under

certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $331,042 (THE "SERIES 1997 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $348,947 (THE "SERIES 2004 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,351,053 (THE "SERIES 2004 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 2004 C BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 20, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,750,000 (THE "SERIES 2012 B BONDS"); AND (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 20, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2012 C BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 2012 B Bonds, Series 2012 C Bonds, Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2012 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2012 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for

principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2012 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with, or subordinate to, the Bonds, including the Series 2012 B Bonds, Series 2012 C Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the registrar (the "Registrar"), by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Registered Owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Clerk, and has caused this Bond to be dated as of the date first written above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

Susan Bradley

Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2012 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: September 20, 2012.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $189,333.04	09/24/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Bond Debt Service
City of Belington
IF
$1,250,000
0% Interest Rate
40 Years from Closing Date

Dated Date	9/20/2012
Delivery Date	9/20/2012

Period Ending	Principal	Interest	Debt Service
6/1/2014	8,117		8,117
9/1/2014	8,117		8,117
12/1/2014	8,117		8,117
3/1/2015	8,117		8,117
6/1/2015	8,117		8,117
9/1/2015	8,117		8,117
12/1/2015	8,117		8,117
3/1/2016	8,117		8,117
6/1/2016	8,117		8,117
9/1/2016	8,117		8,117
12/1/2016	8,117		8,117
3/1/2017	8,117		8,117
6/1/2017	8,117		8,117
9/1/2017	8,117		8,117
12/1/2017	8,117		8,117
3/1/2018	8,117		8,117
6/1/2018	8,117		8,117
9/1/2018	8,117		8,117
12/1/2018	8,117		8,117
3/1/2019	8,117		8,117
6/1/2019	8,117		8,117
9/1/2019	8,117		8,117
12/1/2019	8,117		8,117
3/1/2020	8,117		8,117
6/1/2020	8,117		8,117
9/1/2020	8,117		8,117
12/1/2020	8,117		8,117
3/1/2021	8,117		8,117
6/1/2021	8,117		8,117
9/1/2021	8,117		8,117
12/1/2021	8,117		8,117
3/1/2022	8,117		8,117
6/1/2022	8,117		8,117
9/1/2022	8,117		8,117
12/1/2022	8,117		8,117
3/1/2023	8,117		8,117
6/1/2023	8,117		8,117
9/1/2023	8,117		8,117
12/1/2023	8,117		8,117
3/1/2024	8,117		8,117
6/1/2024	8,117		8,117
9/1/2024	8,117		8,117
12/1/2024	8,117		8,117

Bond Debt Service
City of Belington
IF
$1,250,000
0% Interest Rate
40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
3/1/2025	8,117		8,117
6/1/2025	8,117		8,117
9/1/2025	8,117		8,117
12/1/2025	8,117		8,117
3/1/2026	8,117		8,117
6/1/2026	8,117		8,117
9/1/2026	8,117		8,117
12/1/2026	8,117		8,117
3/1/2027	8,117		8,117
6/1/2027	8,117		8,117
9/1/2027	8,117		8,117
12/1/2027	8,117		8,117
3/1/2028	8,117		8,117
6/1/2028	8,117		8,117
9/1/2028	8,117		8,117
12/1/2028	8,117		8,117
3/1/2029	8,117		8,117
6/1/2029	8,117		8,117
9/1/2029	8,117		8,117
12/1/2029	8,117		8,117
3/1/2030	8,117		8,117
6/1/2030	8,117		8,117
9/1/2030	8,117		8,117
12/1/2030	8,117		8,117
3/1/2031	8,117		8,117
6/1/2031	8,117		8,117
9/1/2031	8,117		8,117
12/1/2031	8,117		8,117
3/1/2032	8,117		8,117
6/1/2032	8,117		8,117
9/1/2032	8,117		8,117
12/1/2032	8,117		8,117
3/1/2033	8,117		8,117
6/1/2033	8,117		8,117
9/1/2033	8,117		8,117
12/1/2033	8,117		8,117
3/1/2034	8,117		8,117
6/1/2034	8,117		8,117
9/1/2034	8,117		8,117
12/1/2034	8,117		8,117
3/1/2035	8,117		8,117
6/1/2035	8,117		8,117
9/1/2035	8,117		8,117
12/1/2035	8,117		8,117
3/1/2036	8,117		8,117
6/1/2036	8,117		8,117
9/1/2036	8,117		8,117

Bond Debt Service
City of Belington
IF
$1,250,000
0% Interest Rate
40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/2036	8,117		8,117
3/1/2037	8,117		8,117
6/1/2037	8,117		8,117
9/1/2037	8,117		8,117
12/1/2037	8,117		8,117
3/1/2038	8,117		8,117
6/1/2038	8,117		8,117
9/1/2038	8,117		8,117
12/1/2038	8,117		8,117
3/1/2039	8,117		8,117
6/1/2039	8,117		8,117
9/1/2039	8,117		8,117
12/1/2039	8,117		8,117
3/1/2040	8,117		8,117
6/1/2040	8,117		8,117
9/1/2040	8,117		8,117
12/1/2040	8,117		8,117
3/1/2041	8,117		8,117
6/1/2041	8,117		8,117
9/1/2041	8,117		8,117
12/1/2041	8,117		8,117
3/1/2042	8,117		8,117
6/1/2042	8,117		8,117
9/1/2042	8,117		8,117
12/1/2042	8,117		8,117
3/1/2043	8,117		8,117
6/1/2043	8,117		8,117
9/1/2043	8,117		8,117
12/1/2043	8,117		8,117
3/1/2044	8,117		8,117
6/1/2044	8,117		8,117
9/1/2044	8,117		8,117
12/1/2044	8,117		8,117
3/1/2045	8,117		8,117
6/1/2045	8,117		8,117
9/1/2045	8,117		8,117
12/1/2045	8,117		8,117
3/1/2046	8,117		8,117
6/1/2046	8,117		8,117
9/1/2046	8,117		8,117
12/1/2046	8,117		8,117
3/1/2047	8,117		8,117
6/1/2047	8,117		8,117
9/1/2047	8,117		8,117
12/1/2047	8,117		8,117
3/1/2048	8,116		8,116
6/1/2048	8,116		8,116

Bond Debt Service

City of Belington

IF

$1,250,000

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
9/1/2048	8,116		8,116
12/1/2048	8,116		8,116
3/1/2049	8,116		8,116
6/1/2049	8,116		8,116
9/1/2049	8,116		8,116
12/1/2049	8,116		8,116
3/1/2050	8,116		8,116
6/1/2050	8,116		8,116
9/1/2050	8,116		8,116
12/1/2050	8,116		8,116
3/1/2051	8,116		8,116
6/1/2051	8,116		8,116
9/1/2051	8,116		8,116
12/1/2051	8,116		8,116
3/1/2052	8,116		8,116
6/1/2052	8,116		8,116
9/1/2052	8,117		8,117
	1,250,000		1,250,000

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20__.

_____

In the presence of:

_____

SPECIMEN

THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2012 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$1,750,000

No. BR-1 Date: September 20, 2012

FOR VALUE RECEIVED, THE CITY OF BELINGTON (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($1,750,000), plus interest on the unpaid principal balance at the rate of 2.125% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $5,600, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made

by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond is issued to (i) pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewer portion of the existing combined waterworks and sewerage system (the "System") of the Issuer, and (ii) pay costs of issuance and related costs.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the Registered Owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted on July 19, 2012 as supplemented by Supplemental Resolution of the Issuer duly adopted on September 6, 2012, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $331,042 (THE "SERIES 1997 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $348,947 (THE "SERIES 2004 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,351,053 (THE "SERIES 2004 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 2004 C BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED SEPTEMBER 20, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2012 A BONDS"); AND (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 20, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,100,000 (THE "SERIES 2012 C BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion or wetlands to produce an agricultural commodity.

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, all as of the date hereinabove written.

THE CITY OF BELINGTON

[CORPORATE SEAL]

SPECIMEN

Mayor

P. O. Box 926
Belington, West Virginia 26250

ATTEST:

SPECIMEN

Clerk

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $12,100	09/20/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, 20___.

_____

In presence of:

_____

SPECIMEN

THE CITY OF BELINGTON

COMBINED WATERWORKS AND SEWERAGE SYSTEM BONDS, SERIES 2012 C
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$1,100,000

No. CR-1 Date: September 20, 2012

FOR VALUE RECEIVED, THE CITY OF BELINGTON (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION ONE HUNDRED THOUSAND DOLLARS ($1,100,000), plus interest on the unpaid principal balance at the rate of 3.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $4,367, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made

by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond is issued to (i) pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewer portion of the existing combined waterworks and sewerage system (the "System") of the Issuer, and (ii) pay costs of issuance and related costs.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the Registered Owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 20 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower duly enacted on July 19, 2012 as supplemented by Supplemental Resolution of the Issuer duly adopted on September 6, 2012, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S: (1) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED MARCH 3, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $475,000 (THE "SERIES 1997 A BONDS"); (2) COMBINED WATERWORKS AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $331,042 (THE "SERIES 1997 B BONDS"); (3) COMBINED WATERWORKS AND SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $348,947 (THE "SERIES 2004 A BONDS"); (4) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,351,053 (THE "SERIES 2004 B BONDS"); (5) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2004 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 15, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,000,000 (THE "SERIES 2004 C BONDS") (COLLECTIVELY, THE "PRIOR BONDS"); (6) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED SEPTEMBER 20, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2012 A BONDS"); AND (7) COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 20, 2012, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,750,000 (THE "SERIES 2012 B BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or the conversion or wetlands to produce an agricultural commodity.

IN WITNESS WHEREOF, THE CITY OF BELINGTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, all as of the date hereinabove written.

THE CITY OF BELINGTON

[CORPORATE SEAL]

Mayor

P.O. Box 926
Belington, West Virginia 26250

ATTEST:

Clerk

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $41,700	09/20/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Borrower with full power of substitution in the premises.

Dated: _____, 20___.

_____

In presence of:

_____