

**THE CITY OF BELMONT**

**Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)**

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**THE CITY OF BELMONT  
SEWER REVENUE BONDS, SERIES 2004 A  
(WEST VIRGINIA SRF PROGRAM)**

**BOND ORDINANCE**

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THE CITY OF BELMONT

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWERAGE SYSTEM BOND ANTICIPATION NOTE, SERIES 2001, AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF BELMONT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2004 A (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 BOND PURCHASE 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 BELMONT:

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 16, Article 13 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 Belmont (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Pleasants County of said State.

B. The Issuer presently owns and operates a public 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 additions, betterments and improvements to the existing public sewerage system of the Issuer, consisting of 3,500 f. of line replacement, rehabilitation of 15 manholes, wastewater treatment plant upgrade including construction of new head works unit, construction of 18-inch curb wall to existing oxidation ditch; conversion of existing clarifiers to aerobic digester; conversion of existing simplex return activated sludge station to sludge pump station; installation of two new clarifiers; installation of new return sludge station; installation of new chlorine feed and sulfur dioxide system; installation of magnetic flow meters and construction of new combination plant effluent pump station and additional chlorine contact basin; removal and disposal of sludge blanket at existing WWTP effluent, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste (the existing public 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 Issuer has heretofore temporarily financed the design of the Project by the issuance of its Sewerage System Bond Anticipation Note, Series 2001, dated September 5, 2001, in the original aggregate principal amount of \$160,000 (the "Prior Notes").

D. The Prior Notes were issued pursuant to an ordinance of the Issuer enacted on September 4, 2001, (such ordinance, as so amended and supplemented, is hereinafter called the "Prior Note Ordinance").

E. It is deemed necessary and desirable for the Issuer to refund the Prior Notes.

F. The Issuer intends to refund the Prior Notes and 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"), in connection with the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), which the Authority administers pursuant to the Act.

G. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), in the total aggregate principal amount of not more than \$1,500,000 (the "Series 2004 A Bonds"), initially to be represented by a

single bond, to refund the Prior Notes and permanently finance a portion of the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; amounts which may be deposited in the Series 2004 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, 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 2004 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2004 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

H. The period of usefulness of the System after completion of the Project is not less than 30 years.

I. It is in the best interests of the Issuer that its Series 2004 A Bonds be sold to the Authority pursuant to the terms and provisions of a bond purchase agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority, and the DEP (the "Bond Purchase Agreement"), to be approved hereby if not previously approved by resolution of the Issuer.

J. Upon the payment of the Prior Notes, there will be no outstanding bonds or obligations of the Issuer which will rank either prior to, on a parity with or junior and subordinate to the Series 2004 A Bonds as to liens, pledge, source of and security for payment or are secured by revenues or assets of the System.

K. The estimated revenues to be derived in each year after completion of the Project and the refunding of the Prior Notes 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 to make all payments into all funds, accounts and other payments provided for herein.

L. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition and construction of the Project and the operation of the System and issuance of the Series 2004 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, 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 public convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2004 A Bonds or such final order will not be subject to appeal.

M. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2004 A Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2004 A Bonds by 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 2004 A 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, 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 16, Article 13 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 2004 A 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 DEP 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.

"Board" means the Sanitary Board of the Issuer.

"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 Purchase Agreement" means the Bond Purchase Agreement heretofore entered into, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2004 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

"Bonds" means the Series 2004 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.

"Closing Date" means the date upon which there is an exchange of the Series 2004 A Bonds for all or a portion of the proceeds of the Series 2004 A Bonds from the Authority 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 Thrasher Engineering, Inc., Clarksburg, 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 and the cost of refunding the Prior Notes.

"DEP" means the West Virginia Department of Environmental Protection, 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.

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

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

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

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

"Grant" means any and all grants received by the Issuer for the payment of a portion of the costs of acquiring and constructing 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 Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Investment Property" means

(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 Belmont, a municipal corporation and political subdivision of the State of West Virginia, in Pleasants County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Mayor" means the Mayor of the Issuer.

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

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

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

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which 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 of the 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 2004 A Bonds in the Supplemental Resolution, with the written consent of the Authority and the DEP.

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

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

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

- (a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC 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 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 excluded 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.

"Recorder" means the Recorder of the Issuer.

"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 created by Section 5.01 hereof.

"Revenue Fund" means the Revenue Fund created by Section 5.01 hereof.

"Series 2004 A Bonds" means Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

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

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

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

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

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Bond Purchase 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 2004 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2004 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal sewage treatment and collection system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any and all additions, betterments and

improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

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 ACQUISITION AND CONSTRUCTION OF THE PROJECT AND REFUNDING OF THE PRIOR NOTES

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 \$3,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2004 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

Section 2.02. Authorization of Refunding of the Prior Notes. There is hereby authorized and ordered the payment in full of the entire outstanding principal of and all accrued interest on the Prior Notes on the Closing Date. The cost of the refunding will be obtained from the proceeds of the Series 2004 A Bonds. Upon payment in full of the Prior Notes, the pledge of revenues in favor of the holders of the Prior Notes imposed by the Prior Note Ordinance and the monies in the funds and accounts created by the Prior Note Ordinance pledged to the payment of the Prior Notes are hereby ordered terminated, discharged and released.

The cost of the Project, including the refunding of the Prior Notes, is estimated not to exceed \$3,000,000, of which approximately \$1,500,000 will be obtained from proceeds of the Series 2004 A Bonds and approximately \$1,500,000 will be obtained from a Small Cities Block Grant.

### ARTICLE III

#### AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of refunding the Prior Notes, capitalizing interest on the Series 2004 A Bonds, funding a reserve account for the Series 2004 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance 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 of the Issuer. The Series 2004 A Bonds shall be issued as a single bond, designated "Sewer Revenue Bond, Series 2004 A (West Virginia SRF Program)", in the principal amount of not more than \$1,500,000 and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2004 A Bonds remaining after funding of the Series 2004 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2004 A Bonds, if any, shall be deposited in or credited to the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2004 A Bonds shall be issued in such principal amounts; 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 Bond Purchase Agreement. The Series 2004 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2004 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 2004 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2004 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2004 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable,

corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2004 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2004 A Bonds shall cease to be such officer of the Issuer before the Series 2004 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2004 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of 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 2004 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2004 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

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

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2004 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be 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 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 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2004 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all Series 2004 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2004 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 the same become due.

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

A. If other than the Authority, a list of the names in which the Series 2004 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2004 A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Bond Purchase Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2004 A Bonds.

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

(FORM OF BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE CITY OF BELMONT  
SEWER REVENUE BOND,  
SERIES 2004 A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-\_\_\_\_\_

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That on this \_\_\_\_ day of \_\_\_\_\_, 2004, THE CITY OF BELMONT, a municipal corporation and political subdivision of the State of West Virginia in Pleasants County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_ 1,200 \_\_\_\_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative fee (as defined in the hereinafter describe Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_, 20 \_\_\_\_, as set forth on Exhibit B attached hereto.

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 Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Authority and the DEP, dated \_\_\_\_\_, 2004.

This Bond is issued (i) to pay in full the entire outstanding principal of and all accrued interest on the Issuer's Sewerage System Bond Anticipation Note, Series 2001 the "Prior Notes"); (ii) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public 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 16, Article 13 and Chapter 22C, Article 2 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.

There are no outstanding bonds or obligations secured by the revenues or assets of the System.

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 and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2004 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the 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 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 the Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, 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, 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 (as defined in the Bond Legislation), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the 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 BELMONT has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first above-written.

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: \_\_\_\_\_, 2004.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By: \_\_\_\_\_  
Its: 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		\$	<u>                    </u>

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

Section 3.12. Filing of Amended Schedule. Within 60 days following the Completion Date of the Project, the Issuer will file with the Authority and the DEP a schedule, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

## ARTICLE V

### FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Series 2004 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission.

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

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

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

Revenues derived from the operation of the System 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 manner order of priority:

- (1) The Issuer shall first, each month, pay from the Revenue Fund the 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 to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2004 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse

between the date of such initial deposit in the Series 2004 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

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

(4) The Issuer shall next, 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, an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 2004 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 A Bonds as the same shall become due. Monies in the Series 2004 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 A Bonds as the same shall come due, when other monies in the Series 2004 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

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

Any withdrawals from the Series 2004 A Bonds Reserve Account which result in a reduction in the balance of the Series 2004 A Bonds Reserve Account to below the Series 2004 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 priority as set forth above.

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

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

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made with respect to the Series 2004 A Bonds, all in accordance with the principal amount then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account created hereunder, and all required amounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2004 A Bonds Sinking Fund and the Series 2004 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 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

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

B. 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), deposit with the Commission the required interest, if any, principal and reserve account payments with respect to the Series 2004 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. 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) deposit with the Commission, the SRF Administrative Fee as set forth in the Schedule Y attached to the Bond Purchase Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Bond Purchase 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.

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 and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority anytime make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

F. The monies in excess of the sum insured by 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 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 and 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 A 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 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2004 A Bonds, there shall first be paid the entire outstanding principal of and all accrued interest on the Prior Notes.

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

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

D. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2004 A Bonds, such monies shall be deposited with the Depository Bank in the 2004 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, and until expended, are hereby pledged as additional security for the Series 2004 A Bonds.

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

Section 6.02. Disbursements From the Series 2004 A Bonds Construction Trust 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 2004 A Bonds will be expended and the disbursement procedures of such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2004 A Bonds Construction Trust Fund shall be made only after submission to, and approved 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 Bond Purchase Agreement, in compliance with the construction schedule; and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

## ARTICLE VII

### ADDITIONAL COVENANTS OF THE ISSUER

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

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2004 A Bonds shall not be nor constitute 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 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2004 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2004 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2004 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. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance of the Issuer enacted September 27, 2003, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2004 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth

in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2004 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase 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 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 Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as the Series 2004 A 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 fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2004 A Bonds, immediately be remitted to the Commission for deposit in the Series 2004 A Bonds Sinking Fund, and, with the written permission of the Authority or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2004 A Bonds. Any balance remaining after the payment of the Bonds and the interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution 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 remitted by the Issuer to the Commission for deposit in the Renewal and Replacement Fund. The payment of such

proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders 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 obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2004 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2004 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2004 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

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

The Issuer shall give the Authority and the 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. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2004 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP 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 2004 A Bonds.

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

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by 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 to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

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

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

The Net Revenues actually derived from the System during the 12-consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, 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 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. Bonds issued on a parity, 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 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 lien of the Series 2004 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 2004 A Bonds.

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

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

The Issuer shall permit the Authority and the DEP or their agents and representatives, to inspect all records pertaining to the operation and maintenance 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 Governing Body. 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 Authority and the DEP, or any other original purchaser of the Series 2004 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2004 A Bonds, requesting the same, an annual report containing the following:

- (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.
- (C) The amount of any Bonds, notes or other obligations 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 A Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2004 A 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 Act, the Bond Purchase 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 Bond Purchase 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 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 Bond Purchase Agreement or as promulgated from time to time.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, 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. Prior to the issuance of the Series 2004 A Bonds, 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 Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 A Bonds; provided that, in the event the amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2004 A Bonds Reserve Account and any Reserve Accounts for obligations on a parity with the Series 2004 A Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2004 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 A Bonds. 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 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 DEP and 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 within 30 days of adoption to the Authority and the DEP and 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 DEP, the Authority and 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 Bond Purchase Agreement, and forward a copy of such report to the DEP and 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 Bond Purchase Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Bond Purchase Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Bond Purchase Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public

Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, 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 water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water 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 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 the Series 2004 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or

will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Bond Purchase Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the 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 or the Board 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 worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP and the Issuer shall verify such insurance prior to commencement of construction. In the event the Bond Purchase 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 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 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 7.17. Completion and Operation 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 West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and has obtained all approvals for the issuance of the Series 2004 A Bonds required by State law, with all appeal periods having expired without successful appeal.

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

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

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

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

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

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

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2004 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 2004 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. 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; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2004 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

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

C. The Issuer shall list the funding as being provided by the DEP 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, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often 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 2004 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 2004 A 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 A Bonds as a condition to issuance of the Series 2004 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2004 A Bonds as may be necessary

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

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

## ARTICLE IX

### DEFAULT AND REMEDIES

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

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2004 A 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 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2004 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or 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.

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.

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 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 Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

## ARTICLE X

### PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2004 A Bonds, the principal of and interest 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 2004 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2004 A Bonds from gross income for federal income tax purposes.

## ARTICLE XI

### MISCELLANEOUS

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

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2004 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

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

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

Section 11.05. Conflicting Provisions Repealed. 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.

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

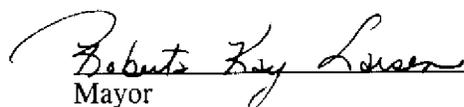
Section 11.07. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereof.

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 St. Marys Oracle* and *The Pleasants County Leader*, two newspapers of general circulation in the Issuer, there being no newspaper published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2004 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.

Passed on First Reading: - May 18, 2004

Passed on Second Reading: - June 1, 2004

Passed on Final Reading  
Following Public  
Hearing: - August 17, 2004

  
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of The City of Belmont on the 17th day of August, 2004.

Dated: August 19, 2004.

[SEAL]

  
\_\_\_\_\_  
Recorder

05/25/04  
063490.00003

THE CITY OF BELMONT

Sewer Revenue Bonds, Series 2004 A  
(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 SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF BELMONT; APPROVING AND RATIFYING THE BOND PURCHASE 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 Belmont (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective August 17, 2004 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWERAGE SYSTEM BOND ANTICIPATION NOTE, SERIES 2001, AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF BELMONT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE

BONDS, SERIES 2004 A (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 BOND PURCHASE 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 Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), of the Issuer, in an aggregate principal amount not to exceed \$1,500,000 (the "Bonds" or the "Series 2004 A Bonds");

WHEREAS, the Bond Ordinance has authorized the execution and delivery of the bond purchase agreement relating to the Series 2004 A Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), all in accordance with Chapter 16, Article 13 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 Bond Purchase 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 Bond Purchase Agreement has been presented to the Issuer at this meeting;

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreement be approved and ratified 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 BELMONT:

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 Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,219,978. The Series 2004 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2036, and shall bear no interest. The principal of the Series 2004 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2006, and maturing March 1, 2036, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Series 2004 A Bonds. The Series 2004 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2004 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2004 A Bonds set forth in the "Schedule Y" attached to the Bond Purchase Agreement.

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 Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Bond Purchase 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 Bond Purchase Agreement and in the applications to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds 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 The Pleasants County Bank, St. Marys, 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 \$134,698.08 to pay The Pleasants County Bank the entire outstanding principal of and all interest accrued on the Prior Notes on the Closing Date.

Section 8. Series 2004 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2004 A Bonds Sinking Fund, as capitalized interest.

Section 9. Series 2004 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2004 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Series 2004 A Bonds shall be deposited in or credited to the Series 2004 A Bond Construction Trust Fund as received from the DEP from time to time for payment of the 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 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 19, 2004, to the Authority pursuant to the Bond Purchase Agreement.

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

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

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

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 17th day of August, 2004.

By: Robert Kay Lisen  
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Belmont on the 17th day of August, 2004.

Dated: August 19, 2004.

[SEAL]

  
Recorder

08/11/04  
063490.00003

SRF-BPA-1  
(01/12/04)

BOND PURCHASE AGREEMENT

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

CITY OF BELMONT  
(Local Government)

W I T N E S S E T H:

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

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to acquire bonds of particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

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

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to utilize moneys from the Fund to purchase the bonds of local governments to provide the financing for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

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

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

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

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for Purchase of Bonds with attachments and exhibits and an Amended Application for Purchase of Bonds also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program; and

WHEREAS, the Local Government meets the "disadvantaged community" provisions of the SRF Regulations.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

## ARTICLE I

### Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

1.3 "Local Act" means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.4 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Bond Purchase Agreement.

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

1.6 "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.

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

1.8 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.9 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations, as amended.

1.10 "System" means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

## ARTICLE II

### The Project and the System

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

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

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

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, 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 DEP with respect to the System pursuant to the pertinent provisions of the Act.

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

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

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

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

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

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

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Bond Purchase Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

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

2.12 The Local Government, commencing on the date contracts are executed for the 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 B and incorporated herein by reference, and forward a copy by the 10th of each month to the DEP and the Authority.

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

### ARTICLE III

#### Conditions to Purchase of Local Bonds; Issuance of Local Bonds

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

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Local Bonds will be expended and the procedures as to the disbursement of bond proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Bond Purchase Agreement;

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

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

(e) The Local Government shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the

Project, and the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect;

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

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

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

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

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

experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Bond Purchase Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall purchase the Local Bonds of the Local Government and the Local Government shall issue and sell the Local Bonds to the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall purchase 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 Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase Agreement.

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

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for financing of wastewater treatment projects and that the obligation of the Authority to purchase the Local Bonds is subject to the Local Government's fulfilling all of the terms and conditions of this Bond Purchase Agreement on or prior to the Date of Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other

local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all bonds will be purchased in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements, established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

#### ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to purchase the Local Bonds, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

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

(i) to pay Operating Expenses of the System;

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

if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided 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 Local Government shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the SRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole or substantially as a whole, provided that the net proceeds to be realized from

such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

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

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

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

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

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

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

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F

and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Government 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 Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Government 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 Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

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

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

4.2 The Local Bonds shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to purchase the Local Bonds shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to purchase the Local Bonds.

## ARTICLE V

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

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Bond Purchase Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to purchase the Local Bonds, 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 Bond Purchase Agreement, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (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 Bond Purchase Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Bond Purchase Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Local Bonds next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

## ARTICLE VI

### Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Bond Purchase Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take

no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Bond Purchase Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Bond Purchase 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 purchasing and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Bond Purchase Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the issuance of the Local Bonds shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the SRF Regulations or this Bond Purchase Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Local Bonds.

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

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

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

6.7 The Local Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

## ARTICLE VII

### Miscellaneous

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

7.2 If any provision of this Bond Purchase 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 Bond Purchase Agreement, and this Bond Purchase Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Bond Purchase 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 Bond Purchase Agreement.

7.4 No waiver by any party of any term or condition of this Bond Purchase 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 Bond Purchase Agreement.

7.5 This Bond Purchase Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Local Bonds and constitutes the entire agreement between the parties hereto in respect thereof.

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

7.7 This Bond Purchase Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

(ii) 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 DEP if the Local Government has failed to deliver the Local Bonds to the Authority;

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

(iv) payment in full of the principal of and interest on the Local Bonds and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Local Bonds purchased under this Bond Purchase Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to purchase the Local Bonds. In the event funds are not appropriated or otherwise available to purchase all of the Local Bonds, the responsibility of the Authority and DEP to purchase the Local Bonds is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Local Bonds is not terminated due to such non-funding on any balance of the Local Bonds. The DEP agrees to use its best efforts to have the amount contemplated under this Bond Purchase Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Bond Purchase Agreement.

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

CITY OF BELMONT  
[Name of Local Government]

(SEAL)

By: Roberts Kay Lisen  
Its: Mayor

Attest:

Date: August 5, 2004

Carrie L. Robinson  
Its: Recorder

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: August Turner  
Its: Director  
Date: 8-9-04

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: James B. Gaborish  
Its: Director  
Date: August 4, 2004

Attest:

Barbara B. Meadows  
Its: Secretary-Treasurer

000832/00372  
01/12/04

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government \_\_\_\_\_  
 Name of Bond Issue(s) \_\_\_\_\_  
 Type of Project \_\_\_\_\_ Water \_\_\_\_\_ Wastewater \_\_\_\_\_  
 Fiscal Year \_\_\_\_\_ Report Month \_\_\_\_\_

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

\_\_\_\_\_  
 Name of Person Completing Form

\_\_\_\_\_  
 Address

\_\_\_\_\_  
 Telephone

## INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1      You will need a copy of the current fiscal year budget adopted by the Local Government 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 Local Government 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 Local Government.

**The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10<sup>th</sup> 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 C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

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 meaning set forth in the bond \_\_\_\_\_ adopted or enacted by the Issuer on \_\_\_\_\_, and the Bond Purchase Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), 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<sup>1</sup> 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<sup>2</sup>, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase 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; and (xi) 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.

WITNESS my signature and seal on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

By \_\_\_\_\_

West Virginia License No. \_\_\_\_

[SEAL]

---

<sup>1</sup>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".

<sup>2</sup>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 E

### SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT - The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, ground breaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. AUDIT REQUIREMENT [Supplement to Article IV 4.1 (b) (xi)] - Effective October 1, 2003, the Local Government that receives \$500,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

C. CLOSING IS CONTINGENT upon receipt of revised final PSC Order.

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$\_\_\_\_\_

Principal \$\_\_\_\_\_

Total: \$\_\_\_\_\_

Reserve Account: \$\_\_\_\_\_

Witness my signature this \_\_\_\_ day of \_\_\_\_\_.

[Name of Local Government]

By: \_\_\_\_\_  
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

West Virginia Department of Environmental Protection  
1560 Kanawha Boulevard, East  
Charleston, WV 25311

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a bond purchase agreement dated \_\_\_\_, \_\_\_\_, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated \_\_\_\_\_, \_\_\_ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Local Bonds are issued in the principal amount of \$ \_\_\_\_\_, in the form of one bond, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning \_\_\_\_ 1, \_\_\_\_, and ending \_\_\_\_ 1, \_\_\_\_, all as set forth in the "Schedule Y" attached to the Bond Purchase 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 Local Government on \_\_\_\_\_, as supplemented by the supplemental resolution duly adopted by the Local Government on \_\_\_\_\_

(collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Bond Purchase 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 Bond Purchase 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 Bond Purchase Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.

2. The Bond Purchase Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.

3. The Local Government is a duly organized and 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 Local Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government 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 Bond Purchase Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Government to the Authority and are valid, legally enforceable and binding special obligations of the Local Government, 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,

## SCHEDULE X

### DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$1,219,978  
Purchase Price of Local Bonds \$1,219,978

The Local Bonds shall bear no interest. Commencing June 1, 2006, principal of the Local Bonds is payable quarterly, with an administrative fee of ½%. 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 Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

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

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government 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 Local Government:

None.

SCHEDULE Y

**\$1,219,978**

City of Belmont

0% Interest Rate, 0.5% Administrative Fee, 30 years

Closing Date: August 19, 2004

**Debt Service Schedule**

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2004	-	-	-
12/01/2004	-	-	-
03/01/2005	-	-	-
06/01/2005	-	-	-
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	10,166.49	-	10,166.49
09/01/2006	10,166.49	-	10,166.49
12/01/2006	10,166.49	-	10,166.49
03/01/2007	10,166.49	-	10,166.49
06/01/2007	10,166.49	-	10,166.49
09/01/2007	10,166.49	-	10,166.49
12/01/2007	10,166.49	-	10,166.49
03/01/2008	10,166.49	-	10,166.49
06/01/2008	10,166.49	-	10,166.49
09/01/2008	10,166.49	-	10,166.49
12/01/2008	10,166.49	-	10,166.49
03/01/2009	10,166.49	-	10,166.49
06/01/2009	10,166.49	-	10,166.49
09/01/2009	10,166.49	-	10,166.49
12/01/2009	10,166.49	-	10,166.49
03/01/2010	10,166.49	-	10,166.49
06/01/2010	10,166.49	-	10,166.49
09/01/2010	10,166.49	-	10,166.49
12/01/2010	10,166.49	-	10,166.49
03/01/2011	10,166.49	-	10,166.49
06/01/2011	10,166.49	-	10,166.49
09/01/2011	10,166.49	-	10,166.49
12/01/2011	10,166.49	-	10,166.49
03/01/2012	10,166.49	-	10,166.49
06/01/2012	10,166.49	-	10,166.49
09/01/2012	10,166.49	-	10,166.49
12/01/2012	10,166.49	-	10,166.49
03/01/2013	10,166.49	-	10,166.49
06/01/2013	10,166.49	-	10,166.49
09/01/2013	10,166.49	-	10,166.49
12/01/2013	10,166.49	-	10,166.49
03/01/2014	10,166.49	-	10,166.49
06/01/2014	10,166.49	-	10,166.49
09/01/2014	10,166.49	-	10,166.49
12/01/2014	10,166.49	-	10,166.49
03/01/2015	10,166.49	-	10,166.49
06/01/2015	10,166.49	-	10,166.49

**\$1,219,978**

City of Belmont

0% Interest Rate, 0.5% Administrative Fee

Closing Date: August 19, 2004

**Debt Service Schedule**

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2015	10,166.49	-	10,166.49
12/01/2015	10,166.49	-	10,166.49
03/01/2016	10,166.49	-	10,166.49
06/01/2016	10,166.48	-	10,166.48
09/01/2016	10,166.48	-	10,166.48
12/01/2016	10,166.48	-	10,166.48
03/01/2017	10,166.48	-	10,166.48
06/01/2017	10,166.48	-	10,166.48
09/01/2017	10,166.48	-	10,166.48
12/01/2017	10,166.48	-	10,166.48
03/01/2018	10,166.48	-	10,166.48
06/01/2018	10,166.48	-	10,166.48
09/01/2018	10,166.48	-	10,166.48
12/01/2018	10,166.48	-	10,166.48
03/01/2019	10,166.48	-	10,166.48
06/01/2019	10,166.48	-	10,166.48
09/01/2019	10,166.48	-	10,166.48
12/01/2019	10,166.48	-	10,166.48
03/01/2020	10,166.48	-	10,166.48
06/01/2020	10,166.48	-	10,166.48
09/01/2020	10,166.48	-	10,166.48
12/01/2020	10,166.48	-	10,166.48
03/01/2021	10,166.48	-	10,166.48
06/01/2021	10,166.48	-	10,166.48
09/01/2021	10,166.48	-	10,166.48
12/01/2021	10,166.48	-	10,166.48
03/01/2022	10,166.48	-	10,166.48
06/01/2022	10,166.48	-	10,166.48
09/01/2022	10,166.48	-	10,166.48
12/01/2022	10,166.48	-	10,166.48
03/01/2023	10,166.48	-	10,166.48
06/01/2023	10,166.48	-	10,166.48
09/01/2023	10,166.48	-	10,166.48
12/01/2023	10,166.48	-	10,166.48
03/01/2024	10,166.48	-	10,166.48
06/01/2024	10,166.48	-	10,166.48
09/01/2024	10,166.48	-	10,166.48
12/01/2024	10,166.48	-	10,166.48
03/01/2025	10,166.48	-	10,166.48
06/01/2025	10,166.48	-	10,166.48
09/01/2025	10,166.48	-	10,166.48
12/01/2025	10,166.48	-	10,166.48
03/01/2026	10,166.48	-	10,166.48
06/01/2026	10,166.48	-	10,166.48

**\$1,219,978**

City of Belmont

0% Interest Rate, 0.5% Administrative Fee

Closing Date: August 19, 2004

**Debt Service Schedule**

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2026	10,166.48	-	10,166.48
12/01/2026	10,166.48	-	10,166.48
03/01/2027	10,166.48	-	10,166.48
06/01/2027	10,166.48	-	10,166.48
09/01/2027	10,166.48	-	10,166.48
12/01/2027	10,166.48	-	10,166.48
03/01/2028	10,166.48	-	10,166.48
06/01/2028	10,166.48	-	10,166.48
09/01/2028	10,166.48	-	10,166.48
12/01/2028	10,166.48	-	10,166.48
03/01/2029	10,166.48	-	10,166.48
06/01/2029	10,166.48	-	10,166.48
09/01/2029	10,166.48	-	10,166.48
12/01/2029	10,166.48	-	10,166.48
03/01/2030	10,166.48	-	10,166.48
06/01/2030	10,166.48	-	10,166.48
09/01/2030	10,166.48	-	10,166.48
12/01/2030	10,166.48	-	10,166.48
03/01/2031	10,166.48	-	10,166.48
06/01/2031	10,166.48	-	10,166.48
09/01/2031	10,166.48	-	10,166.48
12/01/2031	10,166.48	-	10,166.48
03/01/2032	10,166.48	-	10,166.48
06/01/2032	10,166.48	-	10,166.48
09/01/2032	10,166.48	-	10,166.48
12/01/2032	10,166.48	-	10,166.48
03/01/2033	10,166.48	-	10,166.48
06/01/2033	10,166.48	-	10,166.48
09/01/2033	10,166.48	-	10,166.48
12/01/2033	10,166.48	-	10,166.48
03/01/2034	10,166.48	-	10,166.48
06/01/2034	10,166.48	-	10,166.48
09/01/2034	10,166.48	-	10,166.48
12/01/2034	10,166.48	-	10,166.48
03/01/2035	10,166.48	-	10,166.48
06/01/2035	10,166.48	-	10,166.48
09/01/2035	10,166.48	-	10,166.48
12/01/2035	10,166.48	-	10,166.48
03/01/2036	10,166.48	-	10,166.48
<b>Total</b>	<b>\$1,219,978.00</b>	<b>-</b>	<b>\$1,219,978.00 *</b>

\*Plus \$768.85 one-half percent administrative fee paid quarterly. Total fee over life of loan is \$92,262.

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 16<sup>th</sup> day of August, 2004.

CASE NO. 03-1966-S-CN (Re-opened)

CITY OF BELMONT,  
a municipality,

Application for a certificate of  
convenience and necessity to upgrade  
a wastewater system at the City of  
Belmont, Pleasants County.

COMMISSION ORDER

By Recommended Decision entered June 17, 2004, which became a Final Order on July 7, 2004, the Commission granted the above referenced certificate application.

On July 29, 2004, the City of Belmont (City) filed a petition to reopen this case to obtain approval for changes in the project cost and funding. As cause, the City stated that bids for the project came in \$375,000 over budget. The revised project cost will be \$3,094,978.

On August 10, 2004 Staff filed its "Initial and Final Joint Staff Memorandum." Therein, Staff noted:

After the Commission's Recommended Decision became final, the project was bid and the bids exceeded the estimated construction cost. The Utility needed additional financing of \$375,000. Utility has received a commitment from the West Virginia Infrastructure and Jobs Development Council for a grant in the amount of \$375,000 and the commitment letter has been filed with the Public Service Commission. No further rate increase is required since the additional funding is in the form of a grant.

Accordingly, Staff recommended:

Commission Staff recommends that the Utility's petition to reopen their certificate case be granted due to a change in project financing and that the Commission approve the additional financing proposed in the form of a West Virginia Infrastructure and Jobs Development Council grant in the amount of \$375,000. If it is possible, Commission Staff further recommends that this case be given expedited treatment and that a Commission order be entered on or before August 16, 2004 so that the Utility's closing can proceed as scheduled on August 19, 2004. [Emphasis in original.]

ORDER

IT IS THEREFORE ORDERED that the City's petition to reopen this proceeding is hereby granted.

IT IS FURTHER ORDERED that the revised project cost of \$3,094,978 is hereby approved.

IT IS FURTHER ORDERED that the revised funding for this revised project in the form of a \$375,000 grant from the West Virginia Infrastructure and Jobs Development Council, is hereby approved in addition to the funding approved in the July 7, 2004, order.

IT IS FURTHER ORDERED that should the plans, scope, or financing for the project approved herein change for any reason, the City must obtain prior Commission approval before continuing construction of the project.

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

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

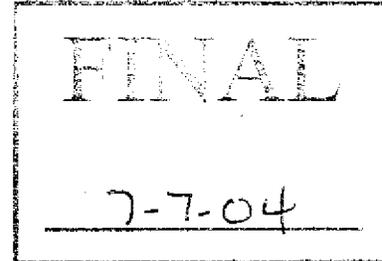
ARC  
JJW/jlh  
031966cb.wpd

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Received Time Aug. 16. 3:22PM

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: June 17, 2004



CASE NO. 03-1966-S-CN

CITY OF BELMONT, a municipality,  
48 Main Street, P.O. Box 375,  
Belmont, Pleasants County.

Application for a certificate of  
convenience and necessity to upgrade  
a wastewater system at the City of  
Belmont, Pleasants County.

RECOMMENDED DECISION

On November 20, 2003, the City of Belmont (City or Applicant), Pleasants County, West Virginia, filed a duly verified application for a certificate of convenience and necessity to construct and operate certain upgrades to its wastewater treatment system. The City estimated that construction of the proposed project would cost approximately \$2,719,978.00, which will be financed by a Small Cities Block grant in the amount of \$1,500,000.00, and a State Revolving Fund loan in the amount of \$1,219,978.00. The Applicant stated that increased rates and charges would be required to fund the proposed project.

By a Notice of Filing entered November 20, 2003, the Public Service Commission required the City of Belmont to provide public legal notice of this application by publication of said Notice of Filing once, in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Pleasants County, and to make due return to the Commission of proper certification of publication. The Notice of Filing contained the increased rates and charges proposed by the Applicant and made provision for the filing of protest, objection or intervention within thirty (30) days from the date of publication.

On January 9, 2004, the Applicant filed a duly executed affidavit of publication demonstrating publication of the prepared Notice of Filing on December 10, 2003, in the St. Marys Oracle, all in conformance with said Notice.

Pursuant to public notice, two letters of protests were filed in this matter on December 10 and 15, 2003.

On December 12, 2003, Commission Staff filed its Initial Joint Staff Memorandum in this matter. Staff detailed the remaining information and documents needed to allow it to complete its review. As a result, also

on December 12, 2003, Staff filed its first set of interrogatories and data requests in this matter.

By a Commission Referral Order entered December 23, 2003, this certificate application was referred to the Division of Administrative Law Judges for further proceedings with a decision due date of June 17, 2004.

On January 9, and February 9, 2004, the Applicant, by counsel, filed responses to the Staff interrogatories previously filed on December 12, 2004.

On March 5, 2004, Commission Staff filed its Final Joint Staff Memorandum in this matter. Staff pointed out that the proposed project will improve the treatment process, reduce inflow and infiltration and provide proper sludge removal for this system. No new customers will be added as a result of the project, but all current customers will benefit from these improvements. The City adopted a sewer rate ordinance on September 27, 2003, which increased rates by 32% in order to support this project. These rates will go into effect on January 1, 2005, or when the project is certified to be substantially complete. Staff has reviewed this ordinance and, by letter dated December 11, 2003, informed the City that the ordinance was in substantial compliance with state law and Commission rules. This project is convenient and necessary and Commission Staff recommended approval of this application.

On March 11, 2004, the City filed a duly executed affidavit demonstrating that the City had mailed a copy of the formal Notice of Filing entered November 20, 2003, to each of its utility customers on December 4, 2003.

By a Procedural Order entered March 11, 2004, this matter was scheduled for hearing to be held on April 19, 2004, in Belmont, West Virginia. The Applicant was required to provide direct notice of the hearing to the two Protestants of record by First Class Mail.

On March 16, 2004, the Applicant, by counsel, filed a duly executed Certificate of Service demonstrating compliance with the notice provision of the Procedural Order entered March 11, 2004.

On March 29, and April 5, 2004, the Applicant filed supplemental responses to Staff's previous discovery requests by filing copies of the U.S. Army Corps of Engineer permit for this project and the West Virginia Division of Culture and History's response to that permit.

The hearing convened as scheduled on April 19, 2004, with all parties in attendance. The Applicant, City of Belmont, was present and represented by its attorney, William Crichton. The Staff of the Public Service Commission was present and represented by Staff Attorney Cassius H. Toon. The Protestant, Ralph Ankrom, was also present, pursuant to direct notice. On April 30, 2004, an accurate transcript, consisting of twenty-three (23) pages of testimony, was filed with the Executive Secretary. No post-hearing briefs or memoranda of law were filed in this matter.

## EVIDENCE

At hearing, the Protestant, Ralph Ankrom, made a statement of public protest in this matter. Mr. Ankrom stated that the sewer plant is outdated and should be repaired, but that rates should not be increased to pay for those repairs. He believes that a recent project to upgrade the City's water utility was mishandled. He stated that some citizens are in favor of the project, while others are not, and that a vote should be taken. (Tr., pp. 7-10).

The Applicant, City of Belmont, by counsel, stated that the City stipulated to the Staff Report and recommendations in this matter. (Tr., pp. 10-11).

Commission Staff called Staff Engineer Jefferson Brady as its witness in this matter. Mr. Brady conducted the engineering review of this proposed project and identified and sponsored the Final Joint Staff Memorandum, previously filed on March 5, 2004, as an exhibit in this matter. The Staff Engineer briefly described the project, which consists of three separate contracts. The system's collection mains and manholes will be improved and properly scaled to reduce inflow and infiltration. The treatment plant will be repaired and improved. Lastly, approximately 1,300 cubic yards of treatment plant sludge will be removed and transported for proper disposal. Mr. Brady confirmed that the City needed to control its inflow and infiltration and was under a compliance order to alleviate its collection problems. The current plant is also operating close to its treatment capacity. (Tr., pp. 11-16).

Staff then called its Utilities Analyst, Scott McNeely, as a witness. Mr. McNeely confirmed his work on this case and his contribution to the Final Joint Staff Memorandum, previously marked as Staff Exhibit No. 1. Mr. McNeely stated that the project is estimated to cost \$2.7 million and will be funded by a loan from the State Revolving Fund of \$1.2 million and a Small Cities Block Grant of \$1.5 million. The project is more than fifty percent (50%) grant funded. The City of Belmont has previously passed a rate ordinance increasing rates approximately thirty-two percent (32%) to service the debt requirements of this project. Under the new rates, a minimum bill will be \$28.36 per month and average usage of 4,500 gallons will result in a monthly bill of \$36.76. These revenues are necessary and adequate to support this project. (Tr., pp. 17-19).

At the conclusion of Staff's case-in-chief, the City of Belmont renewed its stipulation as to Staff's recommendations. (Tr., p. 20).

The Protestant, Ralph Ankrom, stated that, regardless of the rate issue, the sewer plant needs to be improved. Additionally, the City needs to carefully supervise its contractors on this project. (Tr., pp. 21-22).

This concluded the testimony at hearing.

## DISCUSSION

The project which is the subject of this certificate filing is clearly necessary. The City of Belmont is under a compliance order to upgrade and correct its wastewater system. The proposed project will improve the treatment process, reduce inflow and infiltration and provide proper sludge disposal. All permits and approvals have been submitted and reviewed by Staff. No new customers will be added as a result of the project, but all existing customers will benefit from the proposed improvements. The cost per customer is approximately \$2,700, which is reasonable under these circumstances.

This project is also convenient. The funding package is highly favorable with a \$1.2 million loan at zero percent (0%), and a one-half percent (.5%) administrative fee. The remainder of the funding comes from a \$1.5 million Small Cities Block Grant. The City has already adopted an ordinance for increased sewer rates in support of the project, which Staff believes is adequate to fund both operating and maintenance expenses, debt service and required reserves. The new rates, set to go into effect when the project is substantially complete, will result in a minimum bill of \$28.36 for 3,000 gallons of usage and an average usage bill of \$36.76 for 4,500 gallons. These rates are reasonable and not overly burdensome. The project is financially feasible.

No reliable evidence was produced by the Protestant in contradiction of the Applicant's case or the Staff recommendations. Mr. Ankrom admitted that the improvements and repairs occasioned by this project are obviously needed and that the project should continue. His only concern was the large rate increase. The City's increased sewer rate ordinance has already been adopted and was not successfully appealed. Consequently, the issue of rates is not properly subject to review in this certificate case.

For these reasons, the application filed by the City of Belmont shall be approved, and the requested certificate of convenience and necessity shall be issued for the project detailed in said application.

## FINDINGS OF FACT

1. On November 20, 2003, the City of Belmont, Pleasants County, West Virginia, filed a duly verified application for a certificate of convenience and necessity to construct and operate certain upgrades to its wastewater treatment system. The City estimated that construction of the proposed project would cost approximately \$2,719,978.00, which will be financed by a Small Cities Block grant in the amount of \$1,500,000.00, and a State Revolving Fund loan in the amount of \$1,219,978.00. The Applicant stated that increased rates and charges would be required to fund the proposed project. (See, application filed November 20, 2003).

2. Pursuant to a Notice of Filing entered by the Commission on November 20, 2003, the City of Belmont gave public legal notice of this filing by causing to be published, on December 10, 2003, a copy of said Notice in the St. Marys Oracle, a newspaper duly qualified by the Secretary of State, published and of general circulation in Pleasants County, West Virginia. The published Notice of Filing contained the

increased rates and charges previously adopted by the Applicant and a provision for the filing of protest, objection or intervention within thirty (30) days of publication. (See, affidavit of publication filed January 9, 2004).

3. As a result of the publication of public legal notice, two letters of protest were filed in this matter. (See, letters filed December 10 and 15, 2004).

4. The City of Belmont has adopted a sewer rate ordinance which will increase rates by 32% in order to support this project. These increased rates will go into effect on January 1, 2005, or when the project is certified to be substantially complete. Staff has determined that this ordinance is in substantial compliance with state law and the Commission's rules and will produce sufficient revenues from operations to cover debt service, operation and maintenance expense and reserve fund requirements. (See, ordinance adopted September 27, 2003; letter dated December 11, 2003; Final Joint Staff Memorandum filed March 5, 2004).

5. This project is estimated to cost \$2,719,978, and will be funded by a State Revolving Fund Loan in the amount of \$1,219,978, at 0% interest and an administrative fee of 0.5% for a term of 30 years, and a Small Cities Block Grant in the amount of \$1,500,000. All funding commitment letters have been received and reviewed by Staff. (See, Final Joint Staff Memorandum filed March 5, 2004).

6. The plans and specifications provided for this project have been reviewed by Staff and are in general conformance with the Commission's rules and regulations. All required permits, applications and waivers have also been obtained and reviewed as well. (See, Final Joint Staff Memorandum filed March 5, 2004; Tr., pp. 11-16).

7. This project will solve, by appropriate and economically efficient technology, serious collection and treatment problems currently existing with the City of Belmont's sewer system which is currently under an active Noncompliance Order, No. 4001, from the Division of Environmental Protection. (See, Final Joint Staff Memorandum filed March 5, 2004; Tr., pp. 11-16).

8. Under the City of Belmont's post-project rate increase, the minimum monthly bill will be \$28.36, based on 3,000 gallons of usage. The average usage monthly bill will be \$36.76, based on 4,500 gallons. (See, Final Joint Staff Memorandum filed March 5, 2004; Tr., pp. 17-19).

9. Pursuant to its review of this application, Commission Staff has stated that this project is convenient and necessary and should be approved. (See, Final Joint Staff Memorandum filed March 5, 2004; Tr., pp. 11-16, 17-19).

10. The City of Belmont has reviewed the Staff recommendations in this case and stipulated to the appropriateness and utilization of same. (See, Tr., pp. 10-11, 20).

11. Pursuant to direct notice, only one Protestant appeared at hearing. The Protestant agreed that this project is required, but

objected to the increased rates necessary to fund these improvements. (See, Procedural Order issued March 11, 2004; certificate of service filed March 16, 2004; Tr., pp. 10-11, 21-22).

#### CONCLUSIONS OF LAW

1. The public convenience and necessity require the project at issue herein.

2. The proposed project is economically feasible as currently funded and with the rates recently adopted by the City of Belmont.

3. Under the facts and circumstances of this case, the recommendations of Commission Staff and by agreement of the Applicant, City of Belmont, the application filed by the City on November 20, 2003, shall be approved and a certificate of convenience and necessity issued for the construction and operation of the project detailed in said application.

#### ORDER

IT IS, THEREFORE, ORDERED that the application filed by the City of Belmont, on November 20, 2003, shall be approved and that a certificate of convenience and necessity shall be issued for the construction and operation of the sewer improvements detailed in said application.

IT IS FURTHER ORDERED that the funding package for the project approved herein, consisting of a loan from the State Revolving Fund in the amount of \$1,219,978.00, at zero percent (0%) interest and an administrative fee of one-half percent (.5%) for a term of thirty (30) years, and a Small Cities Block Grant of \$1,500,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that final bid summaries and tabulations for this project shall be provided to Commission Staff within ten (10) days of their availability, and, further, should the bids exceed the estimated construction cost approved herein, or, if the plans, scope or terms of financing for the project change, the Applicant shall request a reopening of this case for subsequent review and approval by the Commission prior to construction.

IT IS FURTHER ORDERED that the City of Belmont shall file a copy of the certificate of substantial completion with the Commission within ten (10) days of its execution by the project engineer.

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

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions

are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

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

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



Thomas N. Trent  
Administrative Law Judge

TNT:pst  
031966aa.wpd

# West Virginia Infrastructure & Jobs Development Council

**Public Members:**

Russell L. Isaacs, Chairman  
Cottageville  
Henry Harmon, Vice Chairman  
Hurricane  
Dwight Calhoun  
Petersburg  
William P. Stafford, II, Esquire  
Princeton

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

Katy Mallory, PE  
Executive Secretary

KMallory@ezwv.com

June 5, 2002

The Honorable Carolyn S. Peluso  
Mayor, City of Belmont  
P.O. Box 375  
Belmont, West Virginia 26134

Re: City of Belmont  
Sewer Upgrade Project 95S-098

Dear Mayor Peluso:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the City of Belmont's (the "City") revised preliminary application regarding its proposed project to replace lines, rehabilitate manholes, upgrade the wastewater treatment plant and remove the sludge blanket (the "Project").

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

Upon consideration of the preliminary application, the Infrastructure Council recommends that the City pursue a \$1,500,000 Small Cities Block Grant and a \$1,219,978 Clean Water State Revolving Fund loan to fund this \$2,719,978 project. Please contact the WV Development Office at 558-4010 and the WV Department of Environmental Protection office at 558-0641 for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from these agencies.**

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

Sincerely,



Russell L. Isaacs

RLI/km

cc: Mike Johnson, DEP (w/o enclosure)  
Debbie Legg, WVDO (w/o enclosure)  
Region V Planning & Development Council  
Ken Moran, Thrasher Engineering

Received Time Aug. 17. 8:33AM

THE CITY OF BELMONT

Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 19th day of August, 2004, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of The City of Belmont (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), of the Issuer, in the principal amount of \$1,219,978, numbered AR-1, issued as a single, fully registered Bond, and dated August 19, 2004 (the "Series 2004 A Bonds").
2. At the time of such receipt, the Series 2004 A Bonds had been executed by the Mayor and the Recorder of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2004 A Bonds, of the sum of \$150,198, being a portion of the principal amount of the Series 2004 A Bonds. The balance of the principal amount of the Series 2004 A Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By: Barbara B Meadows  
Its: Authorized Representative

THE CITY OF BELMONT

By: Robert Key Lawson  
Its: Mayor

08/10/04  
063490.00003

THE CITY OF BELMONT

Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank  
as Bond Registrar  
Charleston, West Virginia

Ladies and Gentlemen:

On this 19th day of August, 2004, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of The City of Belmont Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), in the principal amount of \$1,219,978, dated August 19, 2004 (the "Bonds"), executed by the Mayor and the Recorder of The City of Belmont (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 August 17, 2004, and a Supplemental Resolution duly adopted by the Issuer on August 17, 2004 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the bond purchase agreement for the Series 2004 A Bonds, dated August 4, 2004, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "Bond Purchase Agreement"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Bond Purchase 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 \$150,198, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

THE CITY OF BELMONT

By: Roberto Kay Lora  
Its: Mayor

08/10/04  
063490.00003

# SPECIMEN

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE CITY OF BELMONT  
SEWER REVENUE BOND,  
SERIES 2004 A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$1,219,978

KNOW ALL MEN BY THESE PRESENTS: That on this 19th day of August, 2004, THE CITY OF BELMONT, a municipal corporation and political subdivision of the State of West Virginia in Pleasants 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 NINETEEN THOUSAND NINE HUNDRED SEVENTY-EIGHT DOLLARS (\$1,219,978), 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, 2006, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative fee (as defined in the hereinafter describe Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2006, as set forth on Exhibit B attached hereto.

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 Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Authority and the DEP, dated August 4, 2004.

This Bond is issued (i) to pay in full the entire outstanding principal of and all accrued interest on the Issuer's Sewerage System Bond Anticipation Note, Series 2001 (the "Prior Notes"); (ii) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public 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 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on August 17, 2004, and a Supplemental Resolution duly adopted by the Issuer on August 17, 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.

There are no outstanding bonds or obligations secured by the revenues or assets of the System.

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 and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2004 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the 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 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 the Bonds; provided however, that so long as there exists in the Series 2004 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, 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, 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 (as defined in the Bond Legislation), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the 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 BELMONT has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the day and year first above-written.

[SEAL]

**SPECIMEN**  
*Roberts Kelly Lawson*  
\_\_\_\_\_  
Mayor

ATTEST:

*Carrie L. Robinson*  
\_\_\_\_\_  
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: August 19, 2004.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

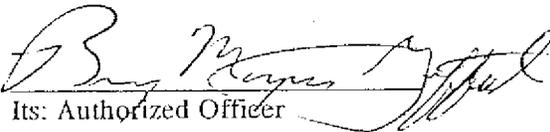
By:   
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$ 150,198	August 19, 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

\$1,219,978

City of Belmont

0% Interest Rate, 0.5% Administrative Fee, 30 years

Closing Date: August 19, 2004

**Debt Service Schedule**

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2004	-	-	-
12/01/2004	-	-	-
03/01/2005	-	-	-
06/01/2005	-	-	-
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	10,166.49	-	10,166.49
09/01/2006	10,166.49	-	10,166.49
12/01/2006	10,166.49	-	10,166.49
03/01/2007	10,166.49	-	10,166.49
06/01/2007	10,166.49	-	10,166.49
09/01/2007	10,166.49	-	10,166.49
12/01/2007	10,166.49	-	10,166.49
03/01/2008	10,166.49	-	10,166.49
06/01/2008	10,166.49	-	10,166.49
09/01/2008	10,166.49	-	10,166.49
12/01/2008	10,166.49	-	10,166.49
03/01/2009	10,166.49	-	10,166.49
06/01/2009	10,166.49	-	10,166.49
09/01/2009	10,166.49	-	10,166.49
12/01/2009	10,166.49	-	10,166.49
03/01/2010	10,166.49	-	10,166.49
06/01/2010	10,166.49	-	10,166.49
09/01/2010	10,166.49	-	10,166.49
12/01/2010	10,166.49	-	10,166.49
03/01/2011	10,166.49	-	10,166.49
06/01/2011	10,166.49	-	10,166.49
09/01/2011	10,166.49	-	10,166.49
12/01/2011	10,166.49	-	10,166.49
03/01/2012	10,166.49	-	10,166.49
06/01/2012	10,166.49	-	10,166.49
09/01/2012	10,166.49	-	10,166.49
12/01/2012	10,166.49	-	10,166.49
03/01/2013	10,166.49	-	10,166.49
06/01/2013	10,166.49	-	10,166.49
09/01/2013	10,166.49	-	10,166.49
12/01/2013	10,166.49	-	10,166.49
03/01/2014	10,166.49	-	10,166.49
06/01/2014	10,166.49	-	10,166.49
09/01/2014	10,166.49	-	10,166.49
12/01/2014	10,166.49	-	10,166.49
03/01/2015	10,166.49	-	10,166.49
06/01/2015	10,166.49	-	10,166.49

**\$1,219,978**

City of Belmont

0% Interest Rate, 0.5% Administrative Fee

Closing Date: August 19, 2004

**Debt Service Schedule**

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2015	10,166.49	-	10,166.49
12/01/2015	10,166.49	-	10,166.49
03/01/2016	10,166.49	-	10,166.49
06/01/2016	10,166.48	-	10,166.48
09/01/2016	10,166.48	-	10,166.48
12/01/2016	10,166.48	-	10,166.48
03/01/2017	10,166.48	-	10,166.48
06/01/2017	10,166.48	-	10,166.48
09/01/2017	10,166.48	-	10,166.48
12/01/2017	10,166.48	-	10,166.48
03/01/2018	10,166.48	-	10,166.48
06/01/2018	10,166.48	-	10,166.48
09/01/2018	10,166.48	-	10,166.48
12/01/2018	10,166.48	-	10,166.48
03/01/2019	10,166.48	-	10,166.48
06/01/2019	10,166.48	-	10,166.48
09/01/2019	10,166.48	-	10,166.48
12/01/2019	10,166.48	-	10,166.48
03/01/2020	10,166.48	-	10,166.48
06/01/2020	10,166.48	-	10,166.48
09/01/2020	10,166.48	-	10,166.48
12/01/2020	10,166.48	-	10,166.48
03/01/2021	10,166.48	-	10,166.48
06/01/2021	10,166.48	-	10,166.48
09/01/2021	10,166.48	-	10,166.48
12/01/2021	10,166.48	-	10,166.48
03/01/2022	10,166.48	-	10,166.48
06/01/2022	10,166.48	-	10,166.48
09/01/2022	10,166.48	-	10,166.48
12/01/2022	10,166.48	-	10,166.48
03/01/2023	10,166.48	-	10,166.48
06/01/2023	10,166.48	-	10,166.48
09/01/2023	10,166.48	-	10,166.48
12/01/2023	10,166.48	-	10,166.48
03/01/2024	10,166.48	-	10,166.48
06/01/2024	10,166.48	-	10,166.48
09/01/2024	10,166.48	-	10,166.48
12/01/2024	10,166.48	-	10,166.48
03/01/2025	10,166.48	-	10,166.48
06/01/2025	10,166.48	-	10,166.48
09/01/2025	10,166.48	-	10,166.48
12/01/2025	10,166.48	-	10,166.48
03/01/2026	10,166.48	-	10,166.48
06/01/2026	10,166.48	-	10,166.48

**\$1,219,978**  
 City of Belmont  
 0% Interest Rate, 0.5%  
 Administrative Fee  
 Closing Date: August 19, 2004

**Debt Service  
 Schedule**

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2026	10,166.48	-	10,166.48
12/01/2026	10,166.48	-	10,166.48
03/01/2027	10,166.48	-	10,166.48
06/01/2027	10,166.48	-	10,166.48
09/01/2027	10,166.48	-	10,166.48
12/01/2027	10,166.48	-	10,166.48
03/01/2028	10,166.48	-	10,166.48
06/01/2028	10,166.48	-	10,166.48
09/01/2028	10,166.48	-	10,166.48
12/01/2028	10,166.48	-	10,166.48
03/01/2029	10,166.48	-	10,166.48
06/01/2029	10,166.48	-	10,166.48
09/01/2029	10,166.48	-	10,166.48
12/01/2029	10,166.48	-	10,166.48
03/01/2030	10,166.48	-	10,166.48
06/01/2030	10,166.48	-	10,166.48
09/01/2030	10,166.48	-	10,166.48
12/01/2030	10,166.48	-	10,166.48
03/01/2031	10,166.48	-	10,166.48
06/01/2031	10,166.48	-	10,166.48
09/01/2031	10,166.48	-	10,166.48
12/01/2031	10,166.48	-	10,166.48
03/01/2032	10,166.48	-	10,166.48
06/01/2032	10,166.48	-	10,166.48
09/01/2032	10,166.48	-	10,166.48
12/01/2032	10,166.48	-	10,166.48
03/01/2033	10,166.48	-	10,166.48
06/01/2033	10,166.48	-	10,166.48
09/01/2033	10,166.48	-	10,166.48
12/01/2033	10,166.48	-	10,166.48
03/01/2034	10,166.48	-	10,166.48
06/01/2034	10,166.48	-	10,166.48
09/01/2034	10,166.48	-	10,166.48
12/01/2034	10,166.48	-	10,166.48
03/01/2035	10,166.48	-	10,166.48
06/01/2035	10,166.48	-	10,166.48
09/01/2035	10,166.48	-	10,166.48
12/01/2035	10,166.48	-	10,166.48
03/01/2036	10,166.48	-	10,166.48
<b>Total</b>	<b>\$1,219,978.00</b>	<b>-</b>	<b>\$1,219,978.00</b>

\*Plus \$768.85 one-half percent administrative fee paid quarterly. Total fee over life of loan is \$92,262.

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:

\_\_\_\_\_  
STEUBENVILLE

August 19, 2004

The City of Belmont  
Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

The City of Belmont  
Belmont, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of Environmental Protection  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The City of Belmont (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its \$1,219,978 Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a bond purchase agreement, dated August 4, 2004, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2006, and maturing March 1, 2036, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Bonds are subject to the SRF Administrative Fee equal to 0.50% of the principal amount of the Bonds as set forth in the Schedule Y attached to the Bond Purchase Agreement.

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 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying in full the entire outstanding principal of and all accrued interest on the Issuer's Sewerage System Bond Anticipation Notes, Series 2001, dated September 5, 2001, and issued in the original aggregate principal amount of \$160,000 (the "Prior Notes"), (ii) paying a portion of the costs of acquisition and

construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) paying certain costs of issuance of the Bonds and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on August 17, 2004, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 17, 2004 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase 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 Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase 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 refund the Prior Bonds, 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 Bond Purchase 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 DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Bond Purchase 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 and secured by a first lien on and pledge of the Net Revenues of the System, all in accordance with the terms of the Bonds and the Bond Legislation. There are no outstanding bonds or obligations of the Issuer which are secured by the revenues or assets of the System.

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 the gross income of the owners thereof for federal income tax purposes. We express

no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

7. The Prior Notes have been paid within the meaning and with the effect expressed in the Prior Notes Ordinance, and the covenants, agreements and other obligations of the Issuer to the holder of the Prior Notes have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of the holder of the Prior Notes.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Purchase 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

**CRICHTON & CRICHTON**  
*Attorneys at Law*  
325 9th Street  
Parkersburg, West Virginia 26101

—  
(304) 485-5003  
FAX (304) 485-5073

WILLIAM CRICHTON V  
WILLIAM CRICHTON VI

August 19, 2004

The City of Belmont  
Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

The City of Belmont  
Belmont, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of Environmental Protection  
Charleston, West Virginia

Steptoe & Johnson PLLC  
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Belmont in Pleasants County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond purchase agreement for the Bonds, dated August 4, 2004, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), a Bond Ordinance duly enacted by the Issuer on August 17, 2004, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 17, 2004 (collectively, the "Bond Legislation"), a Petition of the Sanitary Board duly adopted on August 10, 2004, 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 Bond Purchase 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, Recorder and members of the Council of the Issuer and the Sanitary Board 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. The Sanitary Board has been duly created by the Issuer and is validly existing as a sanitary board under the Act.

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

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

4. The execution and delivery of the Bonds and the Bond Purchase Agreement and the consummation of the transactions contemplated by the Bonds, the Bond Purchase 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 of by which the Issuer or its properties are bound of any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Final Order entered on July 7, 2004 and the Commission Order entered August 16, 2004, in Case No. 03-1966-S-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The Time for appeal of the Final Order has expired prior to the date hereof without any appeal. The time for appeal of the Commission Order has not expired prior to the date hereof. However, the Issuer has certified that it does not intend to appeal such Order and the other parties to such Order have stated that they do not intend to appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. Both orders remain in full force and effect.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Department of

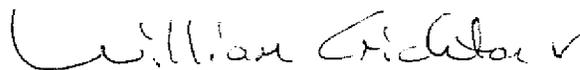
Environmental Protection, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of any ordinance prescribing such rates and charges.

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 Bonds, Bond Purchase 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 therefore.

8. 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 (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representative of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Bond Purchase Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "William Crichton V".

WILLIAM CRICHTON V, ESQUIRE

**CRICHTON & CRICHTON**  
*Attorneys at Law*  
325 9th Street  
Parkersburg, West Virginia 26101

(304) 485-5003  
FAX (304) 485-5073

WILLIAM CRICHTON V  
WILLIAM CRICHTON VI

August 19, 2004

City of Belmont  
P.O. Box 375  
Belmont, WV 26134

West Virginia Department of Environmental Protection  
1560 Kanawha Boulevard, East  
Charleston, WV 25301

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

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

Re: Final Title Opinion for City of Belmont

Ladies and Gentlemen:

We are counsel to the City of Belmont (the "Issuer") in connection with a proposed project to construct certain additions, improvements and extensions to an existing sewer system of the Issuer. We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project.

1. We are of the opinion that the Issuer is a duly created and validly existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the DEP.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

City of Belmont  
West Virginia Department of Environmental Protection  
West Virginia Water Development Authority  
Steptoe & Johnson PLLC  
August 19, 2004  
Page 2

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

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

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

Very truly yours,

  
WILLIAM CRICHTON V

THE CITY OF BELMONT

Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

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. BOND PURCHASE AGREEMENT
11. RATES
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. PUBLICATION AND PUBLIC HEARING ON BOND  
ORDINANCE
15. PUBLIC SERVICE COMMISSION ORDERS
16. SPECIMEN BOND
17. CONFLICT OF INTEREST
18. GRANTS
19. PROCUREMENT OF ENGINEERING SERVICES
20. CLEAN WATER ACT
21. EXECUTION OF COUNTERPARTS

On this 19th day of August, 2004, we, the undersigned MAYOR and RECORDER of The City of Belmont in Pleasants County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the ISSUER, hereby certify in connection with the Issuer's Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated August 19, 2004 (the "Bonds" or the "Series 2004 A Bonds"), as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted August 17, 2004, and the Supplemental Resolution duly adopted August 17, 2004 (collectively, the "Bond Legislation").

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the 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 monies 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 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, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. 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 Bond Purchase Agreement, and the Issuer has met all conditions prescribed in the Bond Purchase Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

Upon the payment of the Prior Notes on the date hereof, there will be no outstanding bonds or obligations of the Issuer which will rank either prior to, on a parity with or junior and subordinate to the Series 2004 A Bonds as to liens, pledge, source of and security for payment or are secured by revenues or assets of the System.

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

Bond Purchase Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Ordinance Creating Sanitary Board and Oaths of Members

Petition of Sanitary Board

Sewer Rate Ordinance

Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Sewer Rate Ordinance

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

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

NPDES Permit

Evidence of Insurance

Evidence of Small Cities Block Grant

Evidence of West Virginia Infrastructure and Jobs Development Council Grant

Receipt and Release of Holder of Prior Notes

6. **INCUMBENCY AND OFFICIAL NAME:** The proper corporate title of the Issuer is "The City of Belmont." The Issuer is a municipal corporation in Pleasants

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 and 5 councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>		<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Roberta Kay Larsen	- Mayor	July 1, 2003	June 30, 2005
Johnny Beck	- Councilmember	July 1, 2003	June 30, 2005
John Fitzpatrick	- Councilmember	July 1, 2003	June 30, 2007
Shirley Long	- Councilmember	July 1, 2003	June 30, 2007
Carolyn Peluso	- Councilmember	July 1, 2003	June 30, 2007
Dorothy Raber	- Councilmember	July 1, 2001	June 30, 2005

The names of the duly appointed, qualified and acting members of the Sanitary Board of the Issuer are as follows:

Chairman	-	Roberta Kay Larsen
Member	-	Randy Whitehair
Member	-	Ben Hayes, P.E.

The duly appointed and acting Recorder of the Issuer is Carrie Robinson and the duly appointed City Clerk is Tacie Kincaid. The duly appointed and acting Counsel to the Issuer is Crichton & Crichton, in Parkersburg, West Virginia.

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

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction and financing of the Project or the operation of the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and

without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

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

10. **BOND PURCHASE AGREEMENT:** As of the date hereof, (i) the representations of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Bond Purchase 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 Bond Purchase 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 Bond Purchase Agreement not misleading; and (iv) the Issuer is in compliance with the Bond Purchase Agreement.

11. **RATES:** The Issuer has duly enacted a sewer rate ordinance on September 23, 2003, setting rates and charges for the services of the System. The time for appeal of such sewer rate ordinance has expired prior to the date hereof without any appeal, and such rates will go into effect when the Project is substantially complete.

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

13. **BOND PROCEEDS:** On the date hereof, the Issuer received \$150,198 from the Authority and the DEP, 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.

At the time of delivery of the Series 2004 A Bonds, \$134,698.08 from the proceeds of the Series 2004 A Bonds was paid to The Pleasants County Bank, which is sufficient to pay in full the entire outstanding principal of and all interest accrued on the Prior Notes.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *St. Marys Oracle* and the *Pleasants County Leader*, two qualified newspapers of general circulation in The City of Belmont, there being no newspaper published therein, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of Governing Body on the 17th day of August, 2004, at 7:00 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 Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Final Order entered on July 7, 2004, and Commission Order entered on August 16, 2004, in Case No. 03-1966-S-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. The time for appeal of the Commission Order has not expired prior to the date hereof. The Issuer hereby certifies that it does not intend to appeal such Order. The other parties to such Order have also stated that they do not intend to appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. Both orders remain in full force and effect.

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

17. CONFLICT OF INTEREST: No member, officer or employee of the Issuer or the Sanitary Board 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.

18. GRANTS: As of the date hereof, the Small Cities Block Grant in the amount of \$1,500,000 and the West Virginia Infrastructure and Jobs Development Council Grant in the amount of \$375,000 are in full force and effect.

19. 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.

20. CLEAN WATER ACT: The Project as described in the Bond Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

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

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

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Robert Key Lawson

Mayor

Carrie L. Robinson

Recorder

William C. Richter, Jr. 8/76

Counsel to the Issuer

THE CITY OF BELMONT

Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, H. Wood Thrasher, Registered Professional Engineer, West Virginia License No. 9478, of Thrasher Engineering, Inc., Clarksburg, 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 existing public sewerage system (the "System") of The City of Belmont (the "Issuer") to be constructed primarily in Pleasants County, West Virginia, which acquisition and construction are being permanently financed in part, by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance enacted by the Issuer on August 17, 2004, as supplemented, and the Bond Purchase Agreement, by and among the Issuer, the West Virginia Department of Environmental Protection ("DEP") and the West Virginia Water Development Authority (the "Authority"), dated August 4, 2004 (the "BPA").

2. The Bonds are being issued (i) to pay in full the entire outstanding principal of and all accrued interest on the Issuer's Sewerage System Bond Anticipation Note, Series 2001; (ii) to pay a portion of the costs of acquisition and construction of the Project; and (iii) to pay certain costs of issuance of the Bonds and related costs.

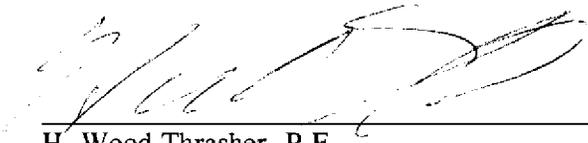
3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the 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 30 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule A, attached hereto as Exhibit A and the Issuer's counsel, Cricton & Cricton, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance 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 the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all 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; (ix) in reliance upon the certificate of Issuer's certified public accountant, Smith, Cochran & Hicks, CPAs, as of the effective date thereof, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the BPA; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously 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; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 19th day of August, 2004.

THRASHER ENGINEERING, INC.

(SEAL)



H. Wood Thrasher, P.E.  
West Virginia License No.9478

08/09/04  
063490.00003



**WEST VIRGINIA SRF & SMALL CITIES BLOCK GRANT**

**SCHEDULE B**

CITY OF BELMONT

SEWER SYSTEM IMPROVEMENTS

FINAL TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

<b>A. Cost of Project</b>	<b>Total</b>	<b>SRF</b>	<b>IJDC</b>	<b>SCBG</b>
1. Construction (Based on Actual Bids)				
Contract 1 (State Pipe Services)	522,125.00	359,365.00	162,760.00	
Contract 2 (Breckenridge)	1,774,900.00	153,160.00	192,240.00	1,429,500.00
Contract 3 (Breckenridge)	231,990.00	231,990.00		
2. Technical Services				
a. Bidding	20,000.00	-	20,000.00	
b. Engineering During Construction	21,000.00	21,000.00		
c. Inspection	120,000.00	120,000.00		
d. Special Services	53,500.00	53,500.00		
3. Legal & Fiscal				
a. Legal	12,000.00			12,000.00
b. Accounting	5,000.00			5,000.00
4. Administrative	50,000.00			50,000.00
5. Sites and Other Lands	2,000.00			2,000.00
6. Miscellaneous	-			
a. Permits	1,500.00			1,500.00
7. Interim Financing	162,760.00	162,760.00	-	
8. Construction Contingency (4%)	102,703.00	102,703.00		
9. Total of Lines 1 through 8	3,079,478.00	1,204,478.00	375,000.00	1,500,000.00
<b>B. Sources of Funds</b>				
10. Federal Grants:	-			
11. State Grants (SCBG)	1,500,000.00			1,500,000.00
12. Other Grants (IJDC)	375,000.00		375,000.00	
13. Any Other Source:	-			
14. Total of Lines 10 through 13	1,875,000.00	-	375,000.00	1,500,000.00
15. Net Proceeds Required from Bond Issue (Line 9 minus Line 14)	1,204,478.00	1,204,478.00	0.00	0.00
<b>C. Cost of Financing</b>				
16. Funded Reserve Account	-			
17. Other Costs	-			
a. Bond Counsel	15,000.00	15,000.00		
b. Bank Registrar Fee	500.00	500.00		
18. Total Cost of Financing (Lines 16 and 17)	15,500.00	15,500.00		-
19. Size of Bond Issue (Line 15 plus Line 18)	1,219,978.00	1,219,978.00	0.00	0.00

*Roberta Kay Lusk, Mayor*  
 GOVERNMENTAL AGENCY

*Lawrence R. ...*  
 CONSULTING ENGINEER

DATE: 8/6/04

DATE: 3/5/04



Smith, Cochran & Hicks, P.L.L.C.

Certified Public Accountants

Beckley Bridgeport Charleston Montgomery

405 Capitol Street • Suite 908 • Charleston, West Virginia 25301 • 304-345-1151 • Fax 304-346-6731

August 19, 2004

The City of Belmont  
Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

The City of Belmont  
Belmont, West Virginia

West Virginia Department of Environmental Protection  
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the sewer rates and charges enacted by the Issuer on September 23, 2003, and projected operating expenses and anticipated customer usage as furnished to us by Thrasher Engineering, Inc., the Consulting Engineer of the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the City of Belmont (the "Issuer"), will provide for all operating expenses of the System and will leave a balance each year equal to the least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program) (the "Series 2004 A Bonds"). It is our understanding that the Issuer's Sewerage System Bond Anticipation Notes, Series 2001, will be paid in full from a portion of the proceeds upon the issuance of the Series 2004 A Bonds on the date hereof.

Very truly yours,

A handwritten signature in cursive script that reads "Smith Cochran &amp; Hicks".

Smith, Cochran & Hicks, P.L.L.C.

THE CITY OF BELMONT

Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of The City of Belmont in Pleasants County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$1,219,978 Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), of the Issuer, dated August 19, 2004 (the "Bonds" or the "Series 2004 A Bonds"), on this 19th day of August, 2004, 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 August 17, 2004, as supplemented (the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on August 19, 2004, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2004 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2004 A Bonds were sold on August 19, 2004, to the Authority, pursuant to a Bond Purchase Agreement dated August 4, 2004, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of \$1,219,978 (100% of par), at which time, the Issuer received \$150,198 from the Authority and the DEP, being the first advance of the principal amount of the Series 2004 A Bonds. No accrued interest has been or will be paid on the Series 2004 A Bonds. The balance of the principal amount of the Series 2004 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2004 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying in full the entire outstanding principal of and all accrued interest on the Issuer's Sewerage System Bond Anticipation Note, Series 2001 (the "Prior Notes"); (ii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2004 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before May 19, 2006. The acquisition and construction of the Project is expected to be completed by February 19, 2006.

8. The total cost of the Project is estimated at \$3,094,978. Sources and uses of funds for the Project are as follows:

SOURCES

Small Cities Block Grant	\$1,500,000
WV Infrastructure and Jobs Development Council Grant	\$ 375,000
Proceeds of the Series 2004 A Bonds	<u>\$1,219,978</u>
Total Sources	<u>\$3,094,978</u>

USES

Costs of the Project	\$2,944,779.92
Prior Notes Payoff	\$ 134,698.08
Costs of Issuance	<u>\$ 15,500.00</u>
Total Uses	<u>\$3,094,978.00</u>

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2004 A Bonds:

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

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

(1) Series 2004 A Bonds proceeds in the amount of \$134,698.08 will be used to pay the entire outstanding principal of and all interest accrued on the Prior Notes.

(2) Series 2004 A Bonds proceeds in the amount of \$-0- will be deposited in the Series 2004 A Bonds Sinking Fund to cover capitalized interest.

(3) Series 2004 A Bonds proceeds in the amount of \$-0- will be deposited in the Series 2004 A Bonds Reserve Account.

(4) The balance of the proceeds of the Series 2004 A Bonds will be deposited in the Series 2004 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 2004 A Bonds and related costs.

11. Monies held in the Series 2004 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2004 A Bonds and will not be available to meet

costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2004 A Bonds Sinking Fund and Series 2004 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2004 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 18 months of the date hereof.

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

14. With the exception of the amount deposited in the Series 2004 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 21 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 2004 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 2004 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2004 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2004 A Bonds Reserve Account and the Series 2004 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

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

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

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

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

THE CITY OF BELMONT

By: Roberto Luy Lison  
Its: Mayor

08/11/04  
063490.00003

CIRCUIT COURT  
HARRIS COUNTY, W. VA.

GERARDSON CO. v.

SHIRT

V. INCORPORATION OF "THE  
CITY OF BELLINGHAM"

DOUGLASS

HOMER F. SIMONSON, Clerk

ST. MARTIN, W. VA.



STATE OF WEST VIRGINIA:

At a special Term of the Circuit Court of Pleasants County, held within and for said County at the Court House thereof, on the 4th day of March, 1946, 83rd year of the State, the following order was made and entered:

"In re incorporation of "The City of Belmont."

ORDER

On this the 4th day of March, 1946, came Walter Kelley, Henry W. Hammett and Carl G. Wagner, in person and by counsel, and presented to the Court their application by petition, duly verified, for a certificate of incorporation of the territory within the bounds of land described in said petition and survey and map referred to therein, located in Grant District of this County, as a municipal corporation by the name of "The City of Belmont", and therewith presented the certificate of an election held by the qualified voters residing within said territory on the 23rd day of February, 1946, and other papers in said petition mentioned and presented therewith, and it is ordered that the said petition and certificate of election and the other papers presented with said petition as therein identified be, and they are hereby, filed and proceedings thereon docketed.

Thereupon satisfactory proof was adduced that all the provisions of Section 1,2,3,4,5, 6 and 7 of Article 2, Chapter 8 of the Code have been complied with, and the court doth, therefore, order that the territory within the bounds of land described by courses and distances in said petition, survey and map, be, and the same is hereby, declared to be a municipal corporation by the name of "The City of Belmont", duly authorized within the corporation limits, or as otherwise provided, to exercise all the corporate powers conferred by Chapter 8 of the Code upon municipal corporations, from and after this date, and that the Clerk of this Court do issue to said City the certificate of incorporation prescribed by Section 7, Article 2 of said Chapter.

It is further ordered that the said Walter Kelley, Henry W. Hammett and Carl G. Wagner, be, and they are hereby, appointed to act as Commissioners of Election at the first election to be held in said city, and, in case they shall fail or refuse to act, such election shall be held, conducted, certified and returned by three voters of said City appointed for that purpose by the voters present, and which election shall be held, conducted, certified and returned as prescribed by Sections 1,2 and 3 of Article 3, Chapter 8 of the Code. The municipal authorities to be

electd at said election shall be a mayor, a recorder and five councilmen, who shall form the council. They shall hold their offices until their successors are elected or appointed and qualified as provided by law, unless sooner removed from office as prescribed by law.

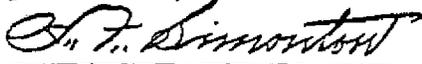
It is further ordered that all reasonable costs incurred in procuring the incorporation of said City, including counsel fees, shall be paid by the corporation.

It is further ordered that the said petition and certificate of election shall be recorded in the current law order book of this Court in connection with the recordation therein of this order.

STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS. SS:

I, H. F. Simonton, Clerk of the Circuit Court in and for the County and State aforesaid, do hereby certify that the foregoing is a true and correct copy of an order entered in the foregoing cause and of record in Law Order Book No. 13, at page 417, as the same appears of record in the files of my said office.

Given under my hand and the Seal of our said Circuit Court, this the 5th day of March, 1958.

  
\_\_\_\_\_  
Clerk of the Circuit Court of  
Pleasants County, West Virginia.

COPY

THE CITY OF BELMONT

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

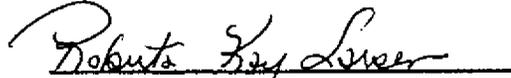
Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of The City of Belmont does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the Recorder at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Recorder not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the 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 18<sup>th</sup> day of May, 2004.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Recorder

05/17/04  
063490.00003



CITY of BELMONT  
218 Main St., P.O. Box 375  
Belmont, West Virginia 26134

STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS

I, John Beck do solemnly swear that I will support the Constitution of the United States and the Constitution of the state of West Virginia, and will faithfully discharge the duties of the office of Council of the City of Belmont, Pleasants County, West Virginia, to the best of my skill and judgement. So help me God.

John Beck  
Signature

Effective Date: July 1, 2003

Subscribed and sworn before me, in my said county and state this the  
1st day of July, 20 03.

Carrie L. Robinson

My Commission Expires: February 5, 2013



CITY of BELMONT  
218 Main St., P.O. Box 375  
Belmont, West Virginia 26134

STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS

I, JOHN FITZPATRICK do solemnly swear that I will support the Constitution of the United States and the Constitution of the state of West Virginia, and will faithfully discharge the duties of the office of COUNCIL MAN of the City of Belmont, Pleasants County, West Virginia, to the best of my skill and judgement. So help me God.

  
Signature

Effective Date: July 1, 2003

Subscribed and sworn before me, in my said county and state this the  
1st day of July, 2003.

Carrie L. Robinson

My Commission Expires: February 5, 2013



CITY of BELMONT  
218 Main St., P.O. Box 375  
Belmont, West Virginia 26134

STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS

I, Shirley Long do solemnly swear that I will support the Constitution of the United States and the Constitution of the state of West Virginia, and will faithfully discharge the duties of the office of Councilwoman of the City of Belmont, Pleasants County, West Virginia, to the best of my skill and judgement. So help me God.

Shirley Long  
Signature

Effective Date: 7/1/03

Subscribed and sworn before me, in my said county and state this the 1st day of July, 20 03.

Carrie L. Robinson

My Commission Expires: February 5, 2013



CITY of BELMONT  
218 Main St., P.O. Box 375  
Belmont, West Virginia 26134

STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS

I, Carolyne Peluso do solemnly swear that I will support the Constitution of the United States and the Constitution of the state of West Virginia, and will faithfully discharge the duties of the office of Councilwoman of the City of Belmont, Pleasants County, West Virginia, to the best of my skill and judgement. So help me God.

Carolyne Peluso  
Signature

Effective Date: 7/1/03

Subscribed and sworn before me, in my said county and state this the 1st day of July, 2003.

Carrie L. Robinson

My Commission Expires: February 5, 2013



CITY of BELMONT  
 218 Main St., P.O. Box 375  
 Belmont, West Virginia 26134

STATE OF WEST VIRGINIA  
 COUNTY OF PLEASANTS

I, Dorothy Raber do solemnly swear that I will support the Constitution of the United States and the Constitution of the state of West Virginia, and will faithfully discharge the duties of the office of Council Member of the City of Belmont, Pleasants County, West Virginia, to the best of my skill and judgement. So help me God.

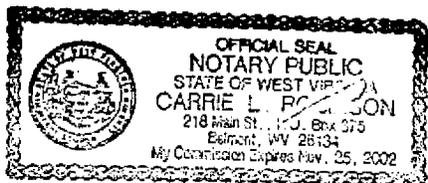
*Dorothy Raber*  
 Signature

Effective Date: July 1, 2001

Subscribed and sworn before me, in my said county and state this the 25<sup>th</sup> day of June, 2001.

*Carrie L. Robinson*

My Commission Expires: November 25, 2002.



ORDINANCE NO. NINETEEN (19)

AN ORDINANCE CREATING A SANITARY BOARD FOR THE CITY OF BELMONT, IN PLEASANTS COUNTY, WEST VIRGINIA, PRESCRIBING THE QUALIFICATIONS OF ITS MEMBERS AND DEFINING ITS POWERS AND DUTIES.

BE IT ORDAINED BY THE CITY OF BELMONT:

Section 1. That there be and is hereby created a Sanitary Board for The City of Belmont, in Pleasants County, West Virginia.

Section 2. That the Sanitary Board of The City of Belmont shall be appointed by the City Council and the members of said Board, upon their appointment, shall qualify by taking the oath of office required of other public officials of the City.

Section 3. That the Sanitary Board, as herein created, shall be composed of the Mayor of The City of Belmont and two persons appointed by the City Council, one of which must be a registered professional engineer. The engineer member of said Board need not be a resident of said City. No officer or employee of the City shall be eligible to appointment on said Board until at least one year after the expiration of the term of his public office.

Section 4. That the appointment of the original board shall be for the term of two and three years respectively, and upon the expiration of each term, and each succeeding term thereafter, the appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for the unexpired term in the same manner as the original appointment. The Mayor's term shall coincide with his tenure of office.

Section 5. That the Sanitary Board shall have the control over and supervision of the construction, acquisition, improvement,

equipment, custody, operation and maintenance of a sewage collection system for The City of Belmont; and in addition thereto, said Board shall be vested with and shall exercise all of the rights and perform all of the duties conferred upon it by the laws of the State of West Virginia.

Section 6. That the Mayor of said City shall act as Chairman of the Sanitary Board, which shall select from its members a Vice Chairman and shall designate a Secretary and Treasurer (but the Secretary and Treasurer may be one and the same), who need not be a member or members of the Sanitary Board. The Vice Chairman, Secretary and Treasurer shall hold office at the will of the Sanitary Board.

Section 7. This ordinance shall be effective from passage.

Section 8. The provisions of this ordinance are several, and if any section, provisions, sentence, clause or word of this ordinance be declared invalid, such decision shall not affect or impair any of the remaining provisions of this ordinance. It is hereby declared to be the intent of the Council of said City that this ordinance would have been adopted had the invalid portion not been included therein.



CITY of BELMONT  
218 Main St., P.O. Box 375  
Belmont, West Virginia 26134

STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS

I, Roberta Kay Larsen do solemnly swear that I will support the Constitution of the United States and the Constitution of the state of West Virginia, and will faithfully discharge the duties of the office of Mayor of the City of Belmont, Pleasants County, West Virginia, to the best of my skill and judgement. So help me God.

Roberta Kay Larsen  
Signature

Effective Date: July 1, 2003

Subscribed and sworn before me, in my said county and state this the  
1st day of July, 2003.

Carrie L. Robinson

My Commission Expires: February 5, 2013



CITY of BELMONT  
218 Main St., P.O. Box 375  
Belmont, West Virginia 26134

STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS

I, Roberta Kay Larsen do solemnly swear that I will support the Constitution of the United States and the Constitution of the state of West Virginia, and will faithfully discharge the duties of the office of Mayor of the City of Belmont, Pleasants County, West Virginia, to the best of my skill and judgement. So help me God.

Roberta Kay Larsen  
Signature

Effective Date: July 1, 2003

Subscribed and sworn before me, in my said county and state this the  
1st day of July, 2003.

Carrie L. Robinson

My Commission Expires: February 5, 2013

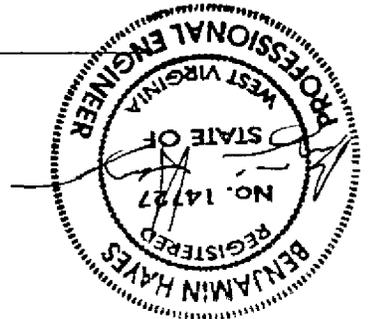


CITY of BELMONT  
218 Main St., P.O. Box 375  
Belmont, West Virginia 26134

STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS

I, BENJAMIN HAYES do solemnly swear that I will support the Constitution of the United States and the Constitution of the state of West Virginia, and will faithfully discharge the duties of the office of SANITARY BOARD MEMBER of the City of Belmont, Pleasants County, West Virginia, to the best of my skill and judgement. So help me God.

B. Hayes  
Signature

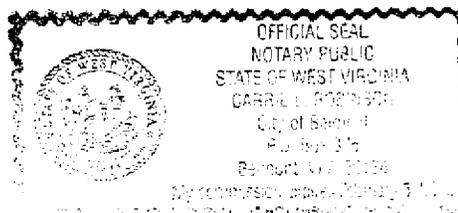


Effective Date: 08-July-2003

Subscribed and sworn before me, in my said county and state this the 8th day of JULY, 2003.

Carrie L. Robinson

My Commission Expires: February 5, 2013.





CITY of BELMONT  
218 Main St., P.O. Box 375  
Belmont, West Virginia 26134

STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS

I, Randy Whitehair do solemnly swear that I will support the Constitution of the United States and the Constitution of the state of West Virginia, and will faithfully discharge the duties of the office of Sanitary Board Member of the City of Belmont, Pleasants County, West Virginia, to the best of my skill and judgement. So help me God.

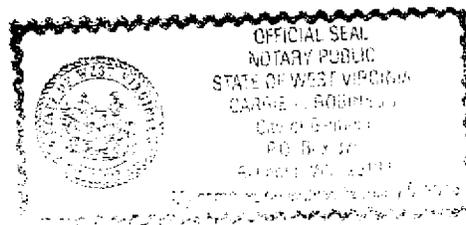
Randy Whitehair  
Signature

Effective Date: 7-8-03

Subscribed and sworn before me, in my said county and state this the 8th day of JULY, 2003.

Carrie L. Robinson

My Commission Expires: February 5, 2003



THE CITY OF BELMONT

Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

PETITION OF SANITARY BOARD

The Sanitary Board of The City of Belmont (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewer revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed \$1,219,978 for the purpose of refunding the outstanding Sewerage System Bond Anticipation Note, Series 2001, financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the Town, together with all necessary appurtenances, and paying the costs of issuance and related costs.

Directed this 10th day of August, 2004.

SANITARY BOARD OF THE CITY OF BELMONT

By: Roberta Key Loren  
Its: Chairman

08/04/04  
063490.00003

**CITY OF BELMONT ORDINANCE**  
**INCREASING SEWERAGE RATES**

AN ORDINANCE REVISING AND INCREASING THE RATES AND CHARGES FOR THE SERVICES AND FACILITIES OF THE CITY OF BELMONT SEWERAGE SYSTEM; IMPLEMENTING SAID INCREASED RATES AND CHARGES; PROVIDING FOR THE DISPOSITION OF THE FUNDS AND INCOME COLLECTED THROUGH SAID RATES AND CHARGES; AND PROVIDING WHEN THIS ORDINANCE AND SAID RATES AND CHARGES SHALL TAKE EFFECT.

WHEREAS, the Council has received a Petition from the Sanitary Board of the City, now hereby ordered filed with the City Clerk, advising the Council that the present rates and charges for the services and facilities of the Belmont sewerage system are not generating sufficient income to retire the \$180,000.00 Sewer Revenue and Refunding Bonds, Series 1973, issued by the City in 1973, the proposed \$1,129,978 SR7, issued to provide certain improvement to the city sewerage system, pay the operation and maintenance expenses of the sewerage system, and maintain the required debt service reserves and also provide adequate services to the customers of said system, and requesting that the Council of the City authorize a specified increase in the rates and charges for the services and facilities of the system in accordance with the provisions of Chapter 24, Article 2, Section 4b, of the West Virginia Code; and

WHEREAS, Council finds that the facts stated in the Petition of the Sanitary Board are correct and true in that the present rates and charges for the services and facilities of the City's sewerage system will not generate sufficient income to discharge the City's \$180,000.00 Sewerage Revenue and Refunding Bonds, Series 1973, issued by the City in 1973, make the required principal and interest payments on the purposed

\$1,219,978 SR7 Loan, pay operation and maintenance expenses, maintain the required debt service reserves and debt coverage, and also provide adequate service for the customers of the City sewerage system; and

WHEREAS, the accountant employed by the City recommends the same increases in said rates and charges that the Sanitary Board of the City has petitioned for approval;

WHEREAS, the Council finds that the hereinafter promulgated rates and charges as recommended by the Sanitary Board are just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing sewerage service within The City of Belmont.

THEREFORE BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELMONT as follows:

Effective the 1<sup>st</sup> day of January, 2005, or when the proposed sewer upgrade project is declared substantially complete by the contractor and project engineer, the following rates and charges for the services and facilities of the City's sewerage system shall go into effect:

**AIR CONDITIONING:**

Water used exclusively for air conditioning purposes which is not afterwards disposed of by discharge into the municipal sewerage system, cesspools or septic tanks, shall not be subject to a service charge or a disposal charge. But, except as to water used exclusively for air conditioning purposes, all persons, firms and corporations shall have their public and private water supply metered and shall pay sewerage rates and charges based upon the metered amount of water used as follows:

RATES:

\$5.60 per thousand gallons of water used plus \$11.56 per month.

MINIMUM CHARGE:

No bill will be rendered less than \$28.36 per month.

TAP FEE:

A tap fee of \$350.00 will be charged for making new connections to the sewerage system.

DELAYED PAYMENT PENALTY:

The above tariff is net. On all accounts not paid in full within 20 days of date of bill, ten percent will be added to the net amount shown.

The City Clerk shall cause a certified copy of this Ordinance to be forthwith filed with the Public Service Commission of West Virginia together with information showing the basis for such rates and charges.

All other provisions of the City's 1973 ordinance authorizing the issuance of \$180,000.00 Sewer Revenue and Refunding Bonds, Series 1973, etc., shall remain in full force and effect.

All receipts and income collected from these rates and charges shall be paid into the Revenue Fund provided by said last mentioned Ordinance and disposed of as therein required.

Adopted this 23 day of September, 2003.

Roberta Kay Larsen, Mayor  
Roberta Kay Larsen, Mayor

Attest:

Tacie M. Kincaid

Tacie M. Kincaid, City Clerk

First Reading September 2, 2003

Second Reading September 23, 2003

# Pleasants County Leader

Ph. (304) 684-2424 • Fax (304) 684-2426  
P.O. Box 27, St. Marys, WV

WEST CENTRAL PUBLISHING  
FEDERAL I.D. NO. 55-06700561  
STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS, to wit:

- I, Randa Gregg, being first duly sworn upon my oath, do depose and say:
- that I am General Manager of the Pleasants County Leader, a Republican newspaper,
  - that I have been duly authorized to execute this affidavit,
  - that such newspaper is regularly published weekly for at least fifty weeks during the calendar year, in the municipality of St. Marys, Pleasants County, West Virginia.
  - that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within St. Marys and Pleasants County;
  - that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
  - that such newspaper is circulated to the general public at a definite price or consideration;
  - that such newspaper is a newspaper to which the general public resorts for passing events or a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
  - and that the annexed notice described as follows:

### Sewer Rate Increase

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
Two	Sept. 13 and 20, 2003

PUBLICATION CHARGES	
	\$176.93

### CERTIF-BILL TO

City of Belmont  
PO Box 375  
Belmont, WV 26134

(signed) *Randa Gregg*

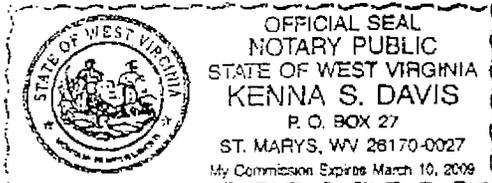
### NOTARIZATION

Taken, sworn to and subscribed before me this 24th

day of September, 20 03

*Kenna S Davis*

Notary Public



### CITY OF BELMONT ORDINANCE INCREASING SEWERAGE RATES

AN ORDINANCE REVISING AND INCREASING THE RATES AND CHARGES FOR THE SERVICES AND FACILITIES OF THE CITY OF BELMONT SEWERAGE SYSTEM; IMPLEMENTING SAID INCREASED RATES AND CHARGES; PROVIDING FOR THE DISPOSITION OF THE FUNDS AND INCOME COLLECTED THROUGH SAID RATES AND CHARGES; AND PROVIDING WHEN THIS ORDINANCE AND SAID RATES AND CHARGES SHALL TAKE EFFECT.

WHEREAS, the Council has received a Petition from the Sanitary Board of the City, now hereby ordered filed with the City Clerk, advising the Council that the present rates and charges for the services and facilities of the Belmont sewerage system are not generating sufficient income to retire the \$180,000.00 Sewer Revenue and Refunding Bonds, Series 1973, issued by City in 1973, the proposed \$1,129,978 SR7, issued to provide certain improvement to the city sewerage system, pay the operation and maintenance expense of the sewerage system, and maintain the required debt service reserves and also provide adequate services to the customers of said system, and requesting that the Council of the City authorize a specified increase in the rates and charges for the services and facilities of the system in accordance with the provisions of Chapter 24, Article 2, Section 4b, of the West Virginia Code; and

WHEREAS, Council finds that the facts stated in the Petition of the Sanitary Board are correct and true in that the present rates and charges for the services and facilities to the City's sewerage system will not generate sufficient income to discharge the City's \$180,000.00 Sewerage Revenue and Refunding Bonds, Series 1973, issued by the City in 1973, make the required principal and interest payments on the proposed \$1,129,978 SR7 Loan, pay operation and maintenance expenses, maintain the required debt service reserves and debt coverage, and also provide adequate service for the customers of the City sewerage system; and

WHEREAS, the accountant employed by the City recommends the same increases in ... charges that the Sanitary Board of the City has petitioned for approval;

WHEREAS, the Council finds that the hereinafter promulgated rates and charges as recommended by the Sanitary Board are just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing sewerage service within The City of Belmont.

THEREFORE BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELMONT as follows:

Effective the 1st day of January, 2005, or when the proposed sewer upgrade project is declared substantially complete by the contractor and project engineer, the

following rates and charges for the services and facilities of the City's sewerage system shall go into effect:

#### AIR CONDITIONING:

Water used exclusively for air conditioning purposes which is not afterwards disposed of by discharge into the municipal sewerage system, cesspools or septic tanks, shall not be subject to a service charge or a disposal charge. But, except as to water used exclusively for air conditioning purposes, all persons, firms and corporations shall have their public and private water supply metered and shall pay sewerage rates and charges based upon the metered amount of water used as follows:

#### RATES:

\$5.60 per thousand gallons water used plus \$11.56 per month.

#### MINIMUM CHARGE:

No bill will be rendered less than \$26.06 per month.

#### TAP FEE:

A tap fee of \$350.00 will be charged for making new connections to the sewerage system.

#### DELAYED PAYMENT PENALTY:

The above tariff is net. On all accounts not paid in full within 20 days of date of bill, ten percent will be added to the net amount shown.

The City Clerk shall cause a certified copy of this Ordinance to be forthwith filed with the Public Service

Commission of West Virginia together with information showing the basis for such rates and charges.

All other provisions of the City's 1973 ordinance authorizing the issuance of \$180,000.00 Sewer Revenue and Refunding Bonds, Series 1973, etc., shall remain in full force and effect.

All receipts and income collected from these rates and charges shall be paid into the Revenue Fund provided by said last mentioned Ordinance and disposed of as therein required.

The Belmont City Council read this proposed Sewer Rate Ordinance for the first time at a regular meeting held at 7:30 P.M. on Tuesday September 2, 2003, at City Hall.

Anyone interested may appear before Council in person or in writing with comments/protests concerning this proposed Sewer Rate Ordinance at a Public Hearing to be held on Tuesday September 23, 2003, at 7:00 P.M. at City Hall.

At such hearing, all objections and suggestions shall be heard, and the Council shall take such action as it shall deem proper in the premises. Copies of this Ordinance shall be available to the public for inspection at the Recorder's Office in the City Hall, Belmont, West Virginia.

Carrie L. Robinson  
City Recorder

9-10,170;9-13,20L

PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT TO:  
P.O. BOX 27, ST. MARYS, WV 26170

INVOICE AND AFFIDAVIT OF PUBLICATION



# St. Marys Oracle

Ph. (304) 684-2424 • Fax (304) 684-2426  
P.O. Box 27, St. Marys, WV

WEST CENTRAL PUBLISHING  
FEDERAL I.D. NO. 55-06700561  
STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS, to wit:

- I, Randa Gregg, being first duly sworn upon my oath, do depose and say:
- that I am General Manager of The St. Marys Oracle, a Democratic newspaper,
  - that I have been duly authorized to execute this affidavit,
  - that such newspaper is regularly published weekly for at least fifty weeks during the calendar year, in the municipality of St. Marys, Pleasants County, West Virginia,
  - that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within St. Marys and Pleasants County;
  - that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
  - that such newspaper is circulated to the general public at a definite price or consideration;
  - that such newspaper is a newspaper to which the general public resorts for passing events or a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
  - and that the annexed notice described as follows:

Sewer Rate Increase

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
Two	Sept. 10 and 17, 2003

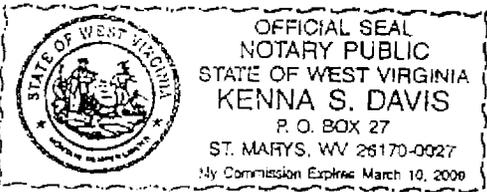
<b>PUBLICATION CHARGES</b>	\$176.93
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**CERTIF-BILL TO**  
 City of Belmont  
 PO Box 375  
 Belmont, WV 26134

(signed) *Randa Gregg*  
 NOTARIZATION

Taken, sworn to and subscribed before me this 24th  
 day of September, 20 03  
*Kenna S. Davis*

Notary Public



**CITY OF BELMONT ORDINANCE  
 INCREASING SEWERAGE RATES**  
 AN ORDINANCE REVISING AND INCREASING THE RATES AND CHARGES FOR THE SERVICES AND FACILITIES OF THE CITY OF BELMONT SEWERAGE SYSTEM; IMPLEMENTING SAID INCREASED RATES AND CHARGES; PROVIDING FOR THE DISPOSITION OF THE FUNDS AND INCOME COLLECTED THROUGH SAID RATES AND CHARGES; AND PROVIDING WHEN THIS ORDINANCE AND SAID RATES AND CHARGES SHALL TAKE EFFECT.

WHEREAS, the Council has received a Petition from the Sanitary Board of the City, now hereby ordered filed with the City Clerk, advising the Council that the present rates and charges for the services and facilities of the Belmont sewerage system are not generating sufficient income to retire the \$150,000.00 Sewer Revenue and Refunding Bonds, Series 1973, issued by City in 1973, the proposed \$1,129,978 SR7, issued to provide certain improvement to the city sewerage system, pay the operation and maintenance expense of the sewerage system, and maintain the required debt service reserves and also provide adequate services to the customers of said system, and requesting that the Council of the City authorize a specified increase in the rates and charges for the services and facilities of the system in accordance with the provisions of Chapter 24, Article 2, Section 4b, of the West Virginia Code; and

WHEREAS, Council finds that the facts stated in the Petition of the Sanitary Board are correct and true in that the present rates and charges for the services and facilities to the City's sewerage system will not generate sufficient income to discharge the City's \$180,000.00 Sewerage Revenue and Refunding Bonds, Series 1973, issued by the City in 1973, make the required principal and interest payments on the proposed \$1,219,978 SR7 Loan, pay operation and maintenance expenses, maintain the required debt service reserves and debt coverage, and also provide adequate service for the customers of the City sewerage system; and

WHEREAS, the accountant employed by the City recommends the same increases in ... charges that the Sanitary Board of the City has petitioned for approval;

WHEREAS, the Council finds that the hereinafter promulgated rates and charges as recommended by the Sanitary Board are just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing sewerage service within The City of Belmont,

THEREFORE BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF BELMONT as follows:

Effective the 1st day of January, 2005, or when the proposed sewer upgrade project is declared substantially complete by the contractor and project engineer, the

following rates and charges for the services and facilities of the City's sewerage system shall go into effect:

**AIR CONDITIONING:**  
 Water used exclusively for air conditioning purposes which is not afterwards disposed of by discharge into the municipal sewerage system, cesspools or septic tanks, shall not be subject to a service charge or a disposal charge. But, except as to water used exclusively for air conditioning purposes, all persons, firms and corporations shall have their public and private water supply metered and shall pay sewerage rates and charges based upon the metered amount of water used as follows:

**RATES:**  
 \$5.60 per thousand gallons water used plus \$11.56 per month.

**MINIMUM CHARGE:**  
 No bill will be rendered less than \$28.06 per month.

**TAP FEE:**  
 A tap fee of \$350.00 will be charged for making new connections to the sewerage system.

**DELAYED PAYMENT PENALTY:**  
 The above tariff is net. On all accounts not paid in full within 20 days of date of bill, ten percent will be added to the net amount shown.

The City Clerk shall cause a certified copy of this Ordinance to be forthwith filed with the Public Service Commission of West Virginia together with information showing the basis for such rates and charges.

All other provisions of the City's 1973 ordinance authorizing the issuance of \$180,000.00 Sewer Revenue and Refunding Bonds, Series 1973, etc., shall remain in full force and effect.

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The Belmont City Council read this proposed Sewer Rate Ordinance for the first time at a regular meeting held at 7:30 P.M. on Tuesday September 2, 2003, at City Hall.

Anyone interested may appear before Council in person or in writing with comments/protests concerning this proposed Sewer Rate Ordinance at a Public Hearing to be held on Tuesday September 23, 2003, at 7:00 P.M. at City Hall.

At such hearing, all objections and suggestions shall be heard, and the Council shall take such action as it shall deem proper in the premises. Copies of this Ordinance shall be available to the public for inspection at the Recorder's Office in the City Hall, Belmont, West Virginia.

Carrie L. Robinson  
 City Recorder  
 9-10,170;9-13,20L

**PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT TO:  
 P.O. BOX 27, ST. MARYS, WV 26170**



MAILED

## MINUTES OF THE COUNCIL OF THE CITY OF BELMONT

The Belmont City Council met in regular session on Tuesday evening September 2, 2003 at 7:30 P.M. at City Hall.

Those present for the meeting were Mayor Kay Larsen and Councilmembers John Beck, John Fitzpatrick, Shirley Long, Carolyn Peluso and Dorothy Raber. Recorder Carrie Robinson was absent due to illness.

Guests for the meeting included Jim McGoldrick and Larry Gainer from the Pleasants County Area Development Authority, City Clerk Tacie Kincaid and Belmont Resident Larry Steele.

Mayor Larsen called the meeting to order with a silent roll call being taken.

Carolyn Peluso moved the minutes of the previous meeting be approved with corrections on page 1, paragraph 3 changing the name from Ken Morgan to Ken Moran and on page 5, paragraph 6 changing the name from Mayor Peluso to Mayor Larsen; Dorothy Raber seconded. The motion carried.

Mayor Larsen recognized Larry Gainer and turned the floor over to him. Mr. Gainer acted as spokesman for the Pleasants County Area Development Authority. Mr. Gainer explained "The County Wide Branding Marketing Project" to Council and asked them to join in the effort. He went on to explain Belmont's role would be to provide a list of all assets of the city to the Committee that would make the area look attractive to potential business and new families. Mr. Gainer told Council, Belmont would be asked at a later date to provide monetary assistance, but the Committee would like to begin work on this project by the end of September. Mayor Larsen asked Mr. Gainer if he was requesting a commitment from Council tonight. Mr. Gainer said yes, if Council is prepared to render their decision. Mayor Larsen stated since Mr. Gainer and Mr. McGoldrick were on tonight's agenda she would entertain a motion, if Council is ready to act on this matter.

John Fitzpatrick moved that Belmont commit to the "Community Wide Marketing Project", and that Councilmember Dorothy Raber be the City's representative; Carolyn Peluso seconded. The motion carried.

Mayor Larsen told Council Monnie Richmond would have a tree in a ditch across the road from the county park removed and placed in her yard. She has signed a document for the City stating she will assume responsibility for any liability that may result from the action.

Chester Kincaid informed Council, through Mayor Larsen, it may be advisable to place white lettering of the after hours emergency number on the glass of the water plant doors instead of placing a sign on the building. Mr. Kincaid quoted a price of \$40.00 for both doors.

Dorothy Raber made a motion to hire Chester Kincaid to place the after hours emergency number in white lettering on the glass of both doors at the water plant at the cost of \$40.00; John Fitzpatrick seconded. The motion carried.

The air compressor for the water plant has arrived. The City employees are waiting for the right conditions to install the new compressor. Council was informed there was no shipping or handling charges billed to the City for this piece of equipment.

Carolyn Peluso told Council the yellow curbs and street signs need painting. Mayor Larsen said she would talk with Tim Barnes but felt spring was a much better time of year for painting. Mayor Larsen stated street sign posts will not be painted but replaced, when needed, with galvanized posts to alleviate the need for painting.

John Fitzpatrick told Council Max Park resident of Diamond Street told him he is having a problem getting in and out of his driveway, because of the sewer tap installation in that area. Mayor Larsen said she would contact Tim Barnes on this situation.

Carolyn Peluso informed Council she talked to the Regional Coordinator from U.S. Filter and was told the inspection report of the water plant R.O. System has not been released to the City. It was agreed at the last Council meeting the City would wait two more weeks for the report before taking any action.

Carolyn Peluso moved Council ask Attorney William Crichton to write a letter to U.S. Filter on Council's behalf asking why Belmont has not received a copy of Mark Edwards' inspection report with a copy of the letter also being sent to the WV Attorney General, Ghosh Engineering and the City's creditors; Dorothy Raber seconded. The motion carried.

Tacie Kincaid told Council the existing City Ordinance concerning termination of service date should be changed using wording recommended by the PSC. Mayor Larsen read the new wording for the ordinance change to Council.

Dorothy Raber made a motion the existing ordinance concerning the date for termination of service for nonpayment of bill be changed to comply with the PSC Rules and Regulations; John Beck seconded. The motion carried.

✓ The first reading of an ordinance changing the sewer rates for Belmont Customers was read to Council by Mayor Larsen.

✓ Dorothy Raber made a motion to pass the Ordinance Increasing the Rates and Charges for Sewer Service for All Belmont Customers for the first reading; John Fitzpatrick seconded. The motion carried.

The contract between Jeff Cantwell and the City of Belmont was submitted for Council's approval. Mayor Larsen suggested the contract be reviewed yearly.

John Fitzpatrick moved the contract between the City and Jeff Cantwell stand approved with reviews to be conducted annually; Dorothy Raber seconded. The motion carried.

A draft of an agreement for contractors written by Recorder Carrie Robinson and Councilman John Fitzpatrick was reviewed by Council. It was decided a lawyer should be asked to write a contract with input from Council.

It was decided shingles for the City Building would be the next project undertaken. There is to be no lettering on the shingles. John Fitzpatrick will contact several contractors for bids.

The procurement of auditing services for the City was tabled until the next meeting.

Dorothy Raber moved the General Fund Budget be revised to reflect the correct unencumbered balance of \$13, 130.58 instead of \$21,583.00 as first reported and a deduction from the City Hall (building maintenance) line item be done to reflect the same amount; Carolyn Peluso seconded. The motion carried.

There were no building permit applications for Council's consideration.

Dorothy Raber moved the bills be paid; Carolyn Peluso seconded. The motion carried.

Carolyn Peluso moved the meeting be adjourned; Dorothy Raber seconded. The motion carried.

The meeting was adjourned!

Roberts Kay Larsen  
MAYOR

Carrie L. Robertson  
RECORDER

1 0 0

SPECIAL MEETING OF THE BELMONT CITY COUNCIL

The Belmont City Council met in special session on Tuesday, September 23, 2003 at 8:22 p.m. at City Hall.

The purpose of the meeting was to approve the second reading of the City of Belmont's Proposed Sewer Rate Increase Ordinance.

Present at the meeting were Mayor Kay Larsen and Councilmembers John Beck, John Fitzpatrick, Shirley Long, Carolyn Peluso, and Dorothy Raber. Recorder Carrie Robinson was absent due to illness.

Mayor Larsen called the meeting to order.

✓ Mayor Larsen read the Ordinance Increasing Sewer Rates by title only.

✓ Dorothy Raber moved to adopt the ordinance. John Beck seconded. The motion carried.

Dorothy Raber moved the special session be adjourned. John Fitzpatrick seconded. The motion carried.

Meeting adjourned.

*Roberts Kay Larsen*

MAYOR

*Carrie L. Robinson*

RECORDER

INVOICE AND AFFIDAVIT OF PUBLICATION

# Pleasants County Leader

Ph. (304) 684-2424 • Fax (304) 684-2426  
P.O. Box 27, St. Marys, WV

WEST CENTRAL PUBLISHING  
FEDERAL I.D. NO. 55-06700561  
STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS, to wit:

- I, Randa Gregg, being first duly sworn upon my oath, do depose and say:
- that I am General Manager of the Pleasants County Leader, a Republican newspaper,
  - that I have been duly authorized to execute this affidavit,
  - that such newspaper is regularly published weekly for at least fifty weeks during the calendar year, in the municipality of St. Marys, Pleasants County, West Virginia.
  - that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within St. Marys and Pleasants County;
  - that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
  - that such newspaper is circulated to the general public at a definite price or consideration;
  - that such newspaper is a newspaper to which the general public resorts for passing events or a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
  - and that the annexed notice described as follows:

### Notice Of Public

#### WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
Two	August 7 and August 14, 2004

#### PUBLICATION CHARGES

\$118.34

#### CERTIF-BILL TO

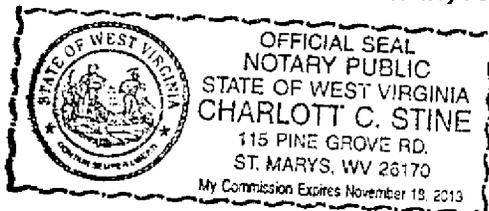
Steptoe & Johnson  
Bank One Center, Seventh Floor  
P.O. Box 1588  
Charleston, WV 25326-1588

(signed) Randa Gregg

#### NOTARIZATION

Taken, sworn to and subscribed before me this 14<sup>th</sup>  
day of August, 20 04  
Charlott C. Stine

Notary Public



#### The City of Belmont

##### Notice Of Public Hearing On Ordinance

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of The City of Belmont (the "City") to be held on Tuesday, August 17, 2004, at 7:00 p.m. in Council Chambers at the Belmont City Building, 218 Main Street, Belmont, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWERAGE SYSTEM BOND ANTICIPATION NOTE, SERIES 2001, AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF BELMONT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2004 A (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 BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was approved by the Council on June 1, 2004.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the bonds will be used to provide permanent financing of the costs of (i) refunding the outstanding Sewerage System Bonds-anticipation Note, Series 2001; (ii) acquisition and construction of betterments, additions and improvements to the sewerage system of the City and to pay certain costs of issuance of the bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewerage system of the City. No taxes may at any time be levied for the payment of the bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of Recorder for review by interested parties during regular office hours.

Following the public hearing, the Council intends to enact the Ordinance upon final reading.

Dated: August 4, 2004.

Carrie Robinson, Recorder

8-4-11 o 8-7-141

PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT TO:  
P.O. BOX 27, ST. MARYS, WV 26170

INVOICE AND AFFIDAVIT OF PUBLICATION



# St. Marys Oracle

Ph. (304) 684-2424 • Fax (304) 684-2426  
P.O. Box 27, St. Marys, WV

WEST CENTRAL PUBLISHING  
FEDERAL I.D. NO. 55-06700561  
STATE OF WEST VIRGINIA  
COUNTY OF PLEASANTS, to wit:

- I, Randa Gregg, being first duly sworn upon my oath, do depose and say:
- that I am General Manager of The St. Marys Oracle, a Democratic newspaper,
  - that I have been duly authorized to execute this affidavit,
  - that such newspaper is regularly published weekly for at least fifty weeks during the calendar year, in the municipality of St. Marys, Pleasants County, West Virginia.
  - that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within St. Marys and Pleasants County;
  - that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
  - that such newspaper is circulated to the general public at a definite price or consideration;
  - that such newspaper is a newspaper to which the general public resorts for passing events or a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
  - and that the annexed notice described as follows:

### Notice Of Public Hearing

#### WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
Two	August 4 and August 11, 2004

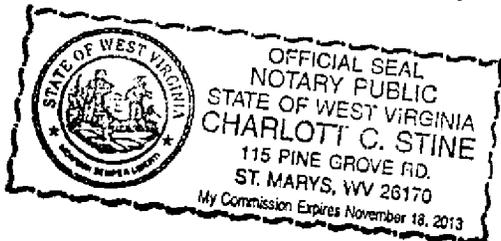
<b>PUBLICATION CHARGES</b>	\$118.34
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**CERTIF-BILL TO**  
 Steptoe & Johnson  
 Bank One Center, Seventh Floor  
 P.O.Box 1588  
 Charleston WV 25326-1588

(signed) *Randa Gregg*  
 NOTARIZATION

Taken, sworn to and subscribed before me this 11th  
 day of August, 20 04  
*Charlott C. Stine*

Notary Public



PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT TO:  
P.O. BOX 27, ST. MARYS, WV 26170

#### The City of Belmont

#### Notice Of Public Hearing On Ordinance

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of The City of Belmont (the "City") to be held on Tuesday, August 17, 2004, at 7:00 p.m. in Council Chambers at the Belmont City Building, 218 Main Street, Belmont, West Virginia, and at such hearing, any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWERAGE SYSTEM BOND ANTICIPATION NOTE, SERIES 2001, AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF BELMONT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2004 A (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 BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was approved by the Council on June 1, 2004.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the bonds will be used to provide permanent financing of the costs of (i) refunding the outstanding Sewerage System Bonds; anticipation Note, Series 2001; (ii) acquisition and construction of betterments, additions and improvements to the sewerage system of the City and to pay certain costs of issuance of the bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewerage system of the City. No taxes may at any time be levied for the payment of the bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file (with the Council) at the office of Recorder for review by interested parties during regular office hours.

Following the public hearing, the Council intends to enact the Ordinance upon final reading.  
 Dated: August 4, 2004.

Carrie Robinson, Recorder

8-4, 11 a 8-7-141

THE CITY OF BELMONT

Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

EXCERPT OF MINUTES ON ENACTMENT OF BOND ORDINANCE  
AND  
SUPPLEMENTAL RESOLUTION

The undersigned Recorder of The City of Belmont (the "City") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said City:

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The Council of the City met in regular session, pursuant to notice duly posted and published, on the 17th day of August, 2004, in Belmont, West Virginia, at the hour of 7:00 p.m.

PRESENT:	Roberta Kay Larsen	-	Mayor
	Carrie Robinson	-	Recorder
	Johnny Beck	-	Councilmember
	John Fitzpatrick	-	Councilmember
	Shirley Long	-	Councilmember
	Carolyn Peluso	-	Councilmember
	Dorothy Raber	-	Councilmember

ABSENT:           None.

Roberta K. Larsen, Mayor, presided, and Carrie Robinson, acted as Recorder. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor stated that the proposed Bond Ordinance heretofore passed on first and second readings would be subject to protests and suggestions from any interested person at this time in accordance with the publication of an abstract of said Bond Ordinance and a Notice of Hearing, which publication has been duly made, and the Mayor called for protests and suggestions as to said Bond Ordinance and all persons desiring to protest the said Bond Ordinance or to make any suggestions with reference thereto were heard.

There being no protests or suggestions made as to said Bond Ordinance, the Mayor thereupon stated that it would be in order to consider the said Bond Ordinance for final enactment and the Mayor caused the said Bond Ordinance to be read as follows:

ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWERAGE SYSTEM BOND ANTICIPATION NOTE, SERIES 2001, AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF BELMONT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2004 A (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 BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Ms. Raber and seconded by Mr. Beck, it was unanimously ordered that the said Bond Ordinance be adopted and be in full force and effect on and from the date hereof.

The Mayor presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF BELMONT; APPROVING AND RATIFYING THE BOND PURCHASE 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 Ms. Raber and seconded by Ms. Peluso, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

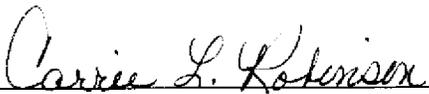
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There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of The City of Belmont 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 19th day of August, 2004.

  
Recorder

08/11/04  
063490.00003

## MINUTES OF THE COUNCIL OF THE CITY OF BELMONT

The Belmont City Council met in regular session on Tuesday May 18, 2004 at 7:30 P.M. at City Hall.

Those present for the meeting were Mayor Roberta Kay Larsen, Recorder Carrie Robinson and Councilmembers John Beck, John Fitzpatrick, Shirley Long, Carolyn Peluso and Dorothy Raber.

The only guest for the meeting was news reporter Jennifer Metheney.

The Mayor called the meeting to order with a silent roll call being taken.

The Pledge of Allegiance was led by Councilman John Fitzpatrick.

Carolyn Peluso made a motion to approve the minutes with a correction on page 2, paragraph 5 changing the wording from indecent to incident; Dorothy Raber seconded. The motion carried.

There were no grievances received from any Belmont residents.

The Mayor informed Council Joe Hill of the Pleasants County Correctional Center would like to schedule the three prison labor projects for June 12th and June 13th:

- 1). Flood Ditch along lower Triplett Street
- 2). Clearing around and painting the fence around the water storage tanks
- 3). Clearing of the bank across from the roadside park on Rt. 2

Mr. Hill proposed sending two crews of 5 men and 1 guard per crew. The City would have to furnish enough equipment for both crews. Mayor Larsen told Mr. Hill that may prove to be a problem as much of the same equipment would have to be used on all three projects. Mr. Hill suggested the City borrow equipment from the State Road Dept.

Council discussed the possibility of the City renting any needed equipment. Council agreed Tim Barnes should check all the City's

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equipment to make sure it is in proper running order and then decide what would have to be rented.

Council agreed on the dates of June 12th and 13th for the scheduling of the prison labor projects.

Mayor Larsen told Council the County Commission decided at their meeting following the last City Council meeting to rebid the work to install the water line extension. The Commission decided to make the work two different contracts instead of just one. The Commission placed the new ad in the local papers with any contact to be directed to the Court House.

Council discussed what they should do about the awarding of the bid that the Commission asked to be placed on hold until this meeting. It was decided that City Council could not make any decision on this matter, since the Commission has taken the project out of the hands of the Belmont City Council. The Council is unsure of what further involvement the City will have in this project.

Mayor Larsen stated she spoke with Brenda Dulaney, Girl Scout Leader, who told her the scouts would be planting the planter at the Welcome Sign and in front of the water plant on May 30, 2004. Mrs. Dulaney said the planter around the Welcome Sign would need some refurbishing.

Council reviewed the employees' time records: personal days, sick leave and vacation leave at the request of John Beck and found the records to be satisfactory. These records are to be updated on a monthly basis.

John Fitzpatrick asked what has been resolved about Carol Wolfe's sewer problem. Dorothy Raber told Council Ms. Wolfe asked her, on election day, if she needed a building permit for this repair work. Mrs. Raber told her she didn't know for sure, but to check with Tim and submit the application before Tuesday, so Council could act on it, if one was needed. Mrs. Raber said she talked with Tim who told her Ms. Wolfe would not have to have a permit for this repair.

John Fitzpatrick asked if sewage was still coming up to the surface of the ground. Mrs. Raber stated she understood bubbles came up when Ms. Wolfe did laundry. Mr. Fitzpatrick said he didn't want this to become a

health problem. Mayor Larsen stated Tacie checked and there are certain procedures the City must follow, if Ms. Wolfe does not take care of this matter. The Recorder suggested Ms. Wolfe be sent a note asking the status of the repair.

Dorothy Raber made a motion to approve the writing to Ms. Carol Wolfe requesting she inform Council of the status of the sewer repairs at her residence; John Beck seconded. The motion carried.

John Fitzpatrick reported that Mr. Gary Langfitt needed to be contacted about the condition of the property at the former furniture store. This is an eyesore in Belmont.

John Fitzpatrick made a motion to send Gary Langfitt a letter requesting he clear the property around the former furniture store he owns in Belmont immediately; Dorothy Raber seconded. The motion carried.

John Fitzpatrick reported he inspected the area behind the former furniture store. There is enough room between the building and the electric pole to park a truck, but he would have reservations about someone parking a tractor and trailer there. Mr. Fitzpatrick stated he tried to reach Mrs. Bills but only got a machine. He didn't leave a message, because he wanted to talk directly with her. In Mr. Fitzpatrick's opinion, there is enough room for someone to park a truck on this piece of property, if Mr. Langfitt gave his permission, without interfering with the City's alley right-of-way, but again he would have reservations about the truck and trailer.

Shirley Long asked Council if they were still interested in the Garden Club planting lilies on the bank across from the park on Rt. 2 after it is cleared. Mayor Larsen said that would not be done until mid June, so it would be up to the Club to decide if anything could be planted so late in the growing season. Mrs. Long said she would contact Mrs. Maze. Mayor Larsen asked Mrs. Long to remind Mrs. Maze that nothing is to be planted in the ditch line.

Carolyn Peluso questioned the overtime that has been worked installing the water valves. Mayor Larsen said some jobs had to be completed when begun due to having to turn off some customers water to make the valve repairs whether it involved overtime or not. Today, they are working to

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make the meter installation at Cytex, and she knew they would work until that job was done. John Beck stated it was because valves have been replaced, in the past few years, that only a small number of customers are without water during these repairs instead of the entire town as it used to be. Mr. Beck stated he felt it was time well spent. Mrs. Peluso stated she just didn't want work begun at Noon just to get to work overtime. Dorothy Raber stated she knew for a fact that the guys have been out early in the mornings working on various projects, as they had to come down to the church to ask Gary Saler to move his car, so they could replace the fire hydrant at his residence. Shirley Long stated her husbands gets the mail around 8:30 A.M., and he had mentioned to her the guys had already begun work one morning. Mrs. Peluso said overtime would be OK, if it was to complete a job where someone's service was involved. She just wanted to ask to make sure.

Mrs. Raber stated she talked with Tim Barnes who told her the order had been placed for the 100 water meters. The entire order will not be filled at one time, but Tim requested they send some immediately, so replacements can be made.

Mayor Larsen reported Mr. David Wilson asked her if the City could do something about the condition of Kester Street. It is almost impassable. Council asked the Mayor to have Tim Barnes inspect this site and report back to them.

Mayor Larsen asked the Recorder to report on the phone call she received from Joe Reckard about semis parking on his property. The Recorder told Council Mr. Reckard called last Friday stating he had been told by two different truck drivers that Belmont was going to prohibit them from parking on his property at the Grille. The Recorder said she tried to explain to Mr. Reckard this was incorrect information. The resolution Council passed at the request of the Dept. of Highways through a request voiced by Sheriff Larry Barnhart at a Council meeting would prohibit parking from the City's water plant north along Rt. 2 to the Main Street intersection. Near the end of the conversation, Mr. Reckard stated perhaps he and some of the truckers should attend a Council meeting to discuss this matter.

Mayor Larsen asked the Recorder to report on the uses of the water reserve funds. The Recorder stated she spoke with Amy Swan of the West Virginia PSC who told her the reserve fund monies could be used for any

repair or replacement within the water department. The money would be replaced by the monthly 2.5% deposits made into this account each month.

Council discussed hiring a new custodian due to the vacancy caused when Mrs. Phyllis McClanahan terminated her employment for medical reasons. Shirley Long made a motion to place an ad in the local papers advertising the City of Belmont would accept applications for the custodial position; Dorothy Raber seconded. The motion carried.

✓ Mayor Larsen read a portion of the Sewer Bond Ordinance that stated:

***“ORDINANCE AUTHORIZING THE REFUNDING OF THE OUTSTANDING SEWERAGE SYSTEM BOND ANTICIPATION NOTE, SERIES 2001, AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF BELMONT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$1,500,000.00 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2004 A (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 BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.”***

John Fitzpatrick made a motion to pass the Sewer Bond Ordinance on this the first reading; John Beck seconded. The motion carried unanimously.

Mayor Larsen read a proposed resolution to implement “Open Governmental Proceedings Rules.

Dorothy Raber made a motion the Belmont City Council adopt the resolution to implement “ Open Governmental Proceedings Rules” as follows:

“Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of The City of Belmont does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all

regularly scheduled meetings of the Council, and the date, time place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the Recorder at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Recorder not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the 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.

John Beck seconded. The motion carried unanimously.

Dorothy Raber moved the bills be paid; John Beck seconded. The motion carried.

Shirley Long moved the meeting be adjourned; John Fitzpatrick seconded. The motion carried.

The meeting was adjourned!

*Roberts Kay Luan*

*Carrie L. Robinson*

MAYOR

RECORDER

## MINUTES OF THE COUNCIL OF THE CITY OF BELMONT

The Belmont City Council met in regular session on Tuesday evening June 1, 2004 at 7:30 P.M. at City Hall.

Those present for the meeting were Mayor Kay Larsen, Recorder Carrie Robinson and Councilmembers: John Fitzpatrick, Shirley Long, Carolyn Peluso and Dorothy Raber. Councilman John Beck was absent.

Guests for the meeting included Jeff Cantwell, Karen Cantwell, County Commissioner Jim Cottrill, City Maintenance Coordinator Tim Barnes, H. W. Sigler, John W. Riggs, County Commissioner Mark Bailey and Reporter Jennifer Metheney.

Mayor Larsen called the meeting to order with a silent roll call being taken.

Councilman John Fitzpatrick led the Council and audience in the Pledge of Allegiance.

John Fitzpatrick moved the minutes stand approved as printed; Dorothy Raber seconded. The motion carried.

Mayor Larsen recognized Mr. Sigler and turned the floor over to him. Mr. Sigler stated he worked for a company that puts in collection wells that produces lots of water. They are more expensive than vertical wells, but the overall maintenance expense on the vertical wells will out cost the rainy well in the long run over a period of years. Mr. Sigler supplied two names to contact: Jim French or Sam Stoe at 1-800-889-6783. They have a well on the other side of Athens they would like to take Council to inspect.

Mayor Larsen recognized John Riggs. Mr. Riggs stated he was concerned about the water line extension up Route 2. Mayor Larsen explained Council was about to address that issue, and Mr. Riggs was welcome to stay for the remainder of the meeting.

Mayor Larsen recognized County Commissioners Jim Cottrill and Mark Bailey and turned the floor over to them. Mark Bailey said he understood there were some Council members who felt the Commissioners

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should have attended the last Council meeting to report what happened in the Commission Meeting, so they were appearing to answer any questions or give any updates on what the process is of trying to get the water lines north of town.

Mayor Larsen said Mr. Cottrill mentioned something about the paper and asked if there was something specific. Mr. Cottrill stated he noticed when reading the article that there were several concerns Council had.

Mayor Larsen said one concern was did the Commission pass out the same scope of work when the job was re-bid as the City passed out? Mr. Cottrill said exactly the same scope except they divided the job into two contracts - one for each side of the road. Mr. Cottrill said he came down and got a copy of the City's specs and went exactly from them.

Carolyn Peluso asked why the Commission bid the job out in two separate ones? Mr. Cottrill stated the Commission thought it best in case there would be some small contractors that couldn't handle one big job, but could handle a small one; thus, the reason to separate the work.

John Fitzpatrick asked how much money the Commission had budgeted for this project? Mark Bailey stated \$60,000.00 - \$70,000.00. Mr. Fitzpatrick asked if it was actually line itemized in the budget at that amount? Mark Bailey said no, it didn't actually show in the budget. It was being funded from some windfall money.

John Fitzpatrick asked how the Commission arrived at the amount just stated? He asked if Arvilla Pipeline Construction Co. gave the amount based on a price per foot? Mr. Cottrill said yes.

Mr. Cottrill explained how the County Commission appeared at a Belmont City Council meeting asking if Belmont would furnish water to some residents north of Belmont who had been left out of the County wide water project. After Council agreed to the project he met with Tim Barnes. Mr. Cottrill said he and Tim measured for the 2" side with a measuring wheel, and he measured the 6" side with his automobile. Mr. Cottrill then gave those figures to Arvilla Pipeline. Arvilla Pipeline gave the Commission a price without using prevailing wages. That's how the Commission came up with the \$60,000.00 - \$70,000.00 figure.

John Fitzpatrick asked if the price from Arvilla Pipeline was just for the line? Mr. Cottrill stated yes, it was.

Carolyn Peluso asked why the Belmont Project was going to be done prior to Calcutta? Mr. Cottrill said Calcutta is part of the County-wide water project, Belmont wasn't.

Dorothy Raber stated she and the Council didn't feel good about reading Mr. Cantwell's bid in the Council meeting that exposed his bid. Mrs. Raber continued that it would have been better if Council had been made aware of the Commission's cost figure up front. Mark Bailey agreed it would probably have been better had there been more communication.

Mr. Cottrill asked what the City would do if the bid had been theirs and it had come in over?

John Fitzpatrick stated Commission asked Council to table the awarding of the contract to Mr. Cantwell, as the Commission wanted to address the issue at their own meeting the next morning. Mr. Fitzpatrick asked why the Commission didn't come back to the next Council meeting? Mr. Cottrill stated after talking with the Mayor, by phone, they thought it was handled in a Council meeting.

Jeff Cantwell asked the two Commissioners if they were knowledgeable on the bidding process. Mark Bailey answered in the affirmative.

Mayor Larsen said after speaking with attorneys herself, she wasn't sure the Commission was getting the proper legal advise.

John Fitzpatrick told the Commissioners the tabled motion put the City of Belmont in the middle. The City has received letters from attorneys stating the City will get sued if the bid is rejected and another stating the City will get sued if it is approved.

Jeff Cantwell asked if cost figures came from Arvilla Well Service and was told yes, they were. Mr. Cantwell said Clifford Smith told him he really didn't know what was going on, but just knew he had to put a bid in on this

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job. Mr. Cantwell also stated Mr. Smith told him his bid might make Mr. Cantwell's look real good. Mr. Cantwell asked how a contractor could be considered for this job if they are not a competent, qualified bidder?

Jim Cottrill stated the Commission might find the whole project isn't doable. Perhaps only one side will be done.

Carolyn Peluso asked if that's the case, what side would be done? Mark Bailey said the left side, 2" side. Mrs. Peluso asked why? Mr. Bailey said that side did not have any type of water service whereas the other side already has established wells for service.

John Fitzpatrick said from correspondence, it would appear the Commission is being advised by Prosecuting Attorney Tim Sweeney.

Jim Cottrill stated yes, the Commission was advised to re-bid the project and accept a lower bid if one comes in.

One of the Commissioners stated even Fred Rader of Regional Council thought Mr. Cantwell's cost estimate sounded excessive.

Shirley Long stated she thought all decisions should be put in writing.

Mark Bailey stated Mr. Cantwell's bid was not rejected in an official meeting; they just decided to re-bid the job based on the facts.

John Fitzpatrick asked if the Commission was going to issue a letter to the City? Mark Bailey said they would if that's what Council wanted.

Mayor Larsen advised Council to stay mute on this subject at this time, as they should wait for the Commissioners' letter. The Council would consult with an attorney versed in construction law before making any decision.

Karen Cantwell told Council and Commissioners Jeff's bid had never been rejected or accepted. Mrs. Cantwell spoke on all the things that must be considered on this project. Mrs. Cantwell also stated she felt Arvilla Well Service was not a suitable cost estimator since they have never laid water lines before.

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Mayor Larsen read a request from Paul Childers for a street light to take the place of the dusk-to-dawn light removed at the Hi-Way Grille. Council agreed to consider this request after Allegheny Power is contacted and a cost estimate is obtained.

Council reviewed the letter from Carol Wolfe concerning the sewer repairs on her property that are scheduled for later this week.

Mr. Langfitt has not, as of this meeting, mowed his property.

Mayor Larsen informed Council dates of June 12th and 13th have been scheduled for the prison labor projects, as they want to complete all three jobs in two days.

Mayor Larsen told Council Tim Barnes reported the City has three weed eaters to use. The City could rent one machine from:

Bosley - \$35.00 per machine per day

Crescent & Sprague - \$20.00 per machine per day

Mayor Larsen reported the City experienced storm damage totaling \$475.00. The cost was for tree and debris removal.

No one on Council had anything to report.

Tim Barnes asked Council to consider placing a fire hydrant and a service valve at Cytec. The valve is estimated to cost \$3,097.55.

Dorothy Raber made a motion to allow Tim Barnes to proceed with the hydrant/valve project; Shirley Long seconded. The motion carried.

Shirley Long made a motion to make the needed repairs to Kester Street at the estimated cost of \$500.00; Dorothy Raber seconded. The motion carried.

Tim Barnes showed Council a map indicating the water lines at Allegheny Power and the old Hammett Road. Tim suggested the City abandon the 3" line and tie in Pleasants Power on the 6" line and replace the old valves. Council told Tim to bring in a cost estimate on this work.

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Council reviewed the proposal for insurance coverage.

Carolyn Peluso made a motion to accept the proposal for insurance coverage from Commercial Insurance Services for the 2005 fiscal year; Dorothy Raber seconded. The motion carried.

John Fitzpatrick made a motion to allow the Recorder to attend the Training Seminar for Municipal Officials and Assistants in Flatwoods on July 29th and 30th with the City bearing the costs; Dorothy Raber seconded. The motion carried.

Council tabled a decision on allowing the Recorder to attend the Retirement Board Seminar until more information is provided.

Shirley Long made a motion to make all needed General Fund and Coal Severance Budget Revisions for the 2004 fiscal year; Dorothy Raber seconded. The motion carried.

The Recorder reported two new checking accounts have been established for the sewer improvement project.

Council decided on the proper wording for the ad for the Custodial position.

Mayor Larsen is to contact Black's Tree Service and Charlie Boley for estimates to remove the Walnut Tree from the alley right-of-way.

Council decided to have the Recorder contact John Harbour about doing the painting around City Hall.

✓ Shirley Long made a motion the Sewer Bond Ordinance be read by title only; Carolyn Peluso seconded. The motion carried.

✓ Mayor Larsen read the Sewer Bond Ordinance by title only.

✓ Carolyn Peluso made a motion to pass the Sewer Bond Ordinance on this second reading; Dorothy Raber seconded. The motion carried.

Council discussed the storage of the City's tape recorder and tapes. Mayor Larsen stated she did not have a problem with anyone on Council storing the recorder and tapes at their private homes if they make them available to the public upon demand, and if they are kept safe from fire.

John Fitzpatrick made a motion the City's tape recorder and tapes be kept on City premises; Dorothy Raber seconded. The motion carried with John Fitzpatrick, Dorothy Raber and Shirley Long voting yes, Carolyn Peluso abstaining.

Carolyn Peluso made a motion to approve the building permit applications for:

Frederick Adams	Vinyl Siding and Windows
Darlene & George Hammett	Fence

Dorothy Raber seconded. The motion carried.

Carolyn Peluso moved the bills be paid; Dorothy Raber seconded. The motion carried.

Carolyn Peluso moved the meeting be adjourned; Dorothy Raber seconded. The motion carried.

The meeting was adjourned!

*Robert Kay Larsen*

*Carrie L. Robinson*

MAYOR

RECORDER

WV MUNICIPAL BOND COMMISSION  
#8 Capitol Street  
Terminal Building, Suite 500  
Charleston, WV 25301  
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: August 19, 2004

(See Reverse for Instructions)

ISSUE: The City of Belmont Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program)

ADDRESS: Post Office Box 375, Belmont, West Virginia 26134 COUNTY: Pleasants

PURPOSE OF ISSUE: New Money: X  
Refunding: X REFUNDS ISSUE(S) DATED: September 5, 2001

ISSUE DATE: August 19, 2004 CLOSING DATE: August 19, 2004

ISSUE AMOUNT: \$1,219,978 RATE: 0%; Administrative Fee 0.5%

1ST DEBT SERVICE DUE: June 1, 2006 1ST PRINCIPAL DUE: June 1, 206

1ST DEBT SERVICE AMOUNT: \$ 10,166.49 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Stephoe & Johnson PLLC UNDERWRITERS COUNSEL: Jackson Kelly PLLC  
Contact Person: Vincent A. Collins, Esquire Contact Person: Samme L. Gee, Esquire  
Phone: (304) 624-8161 Phone: (304) 340-1318

CLOSING BANK: The Pleasants County Bank ESCROW TRUSTEE: \_\_\_\_\_  
Contact Person: F. Michael Nelson, President Contact Person: \_\_\_\_\_  
Phone: (304) 684.2227 Phone: \_\_\_\_\_

KNOWLEDGEABLE ISSUER CONTACT OTHER:  
Contact Person: Roberta Kay Larson West Virginia Department of Environmental Protection  
Position: Mayor Contact Person: Rosalie Brodersen  
Phone: (304) 665-2160 Function: Program Manager  
Phone: (304) 558-0637

DEPOSITS TO MBC AT CLOSE: \_\_\_\_\_  
By: \_\_\_\_\_ Wire \_\_\_\_\_ Accrued Interest: \$ \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_ Capitalized Interest: \$ \_\_\_\_\_  
\_\_\_\_\_ Reserve Account: \$ \_\_\_\_\_  
\_\_\_\_\_ Other: \_\_\_\_\_ \$ \_\_\_\_\_

REFUNDS & TRANSFERS BY MBC AT CLOSE  
By: \_\_\_\_\_ Wire \_\_\_\_\_ To Escrow Trustee: \$ \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_ To Issuer \$ \_\_\_\_\_  
\_\_\_\_\_ IGT \_\_\_\_\_ To Cons. Invest. Fund \$ \_\_\_\_\_  
\_\_\_\_\_ To Other: \_\_\_\_\_ \$ \_\_\_\_\_

NOTES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FOR MUNICIPAL BOND COMMISSION USE ONLY:  
DOCUMENTS REQUIRED: \_\_\_\_\_  
TRANSFERS REQUIRED: \_\_\_\_\_  
\_\_\_\_\_

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

08/11/04  
063490.00003

THE CITY OF BELMONT

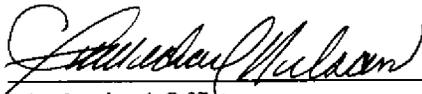
Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

The Pleasants County Bank, St. Marys, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Belmont (the "Issuer") enacted by the Issuer on August 17, 2004, and a Supplemental Resolution adopted by the Issuer on August 17, 2004 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated August 19, 2004, issued in the original aggregate principal amount of \$1,219,978 (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 19th day of August, 2004.

THE PLEASANTS COUNTY BANK

By:   
Its: Authorized Officer

08/04/04  
063490.00003

THE CITY OF BELMONT

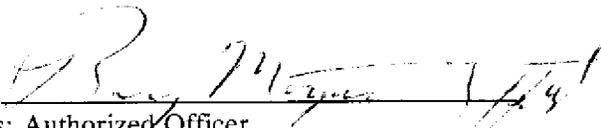
Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of The City of Belmont (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bond, Series 2004 A (West Virginia SRF Program), of the Issuer, dated August 19, 2004, in the principal amount of \$1,219,978, 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 19th day of August, 2004.

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

08/04/04  
063490.00003

THE CITY OF BELMONT

Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 19th day of August, 2004, by and between THE CITY OF BELMONT, 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 \$1,219,978 Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted August 17, 2004, and a Supplemental Resolution of the Issuer duly adopted August 17, 2004 (collectively, the "Bond Legislation");

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

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

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

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

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds

upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

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

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

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

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

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

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

ISSUER: The City of Belmont  
P.O. Box 375  
Belmont, WV 26134  
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 and deliver the Bonds in accordance with the Bond Legislation.

9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF BELMONT

By: Roberto Kay Lopez  
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: [Signature]  
Its: Authorized Officer

08/11/04  
063490.00003

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See attached)

Private Financial Group  
900 Lee Street, 11th Floor  
P.O. Box 633 WE3013  
Charleston, West Virginia 25322-0633



STATEMENT OF TRUSTEE'S FEES  
Invoice Date August 6, 2004

The City of Belmont  
Account Number 6089001809

The City of Belmont  
Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)  
C/O John C. Stump  
Step toe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

\*\*\*\*\*  
FEE CALCULATION FOR August, 2004  
\*\*\*\*\*

TOTAL AMOUNT	\$	500.00
TOTAL DUE	\$	<u>500.00</u>

\* FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT \*  
\* IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN \*  
\* .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: DEBRA .. \*  
\* .. BOWDEN, PO BOX 633, CHARLESTON, WV 25322-0633 .....

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT  
Barry Morgan Griffith at (304)348-5035



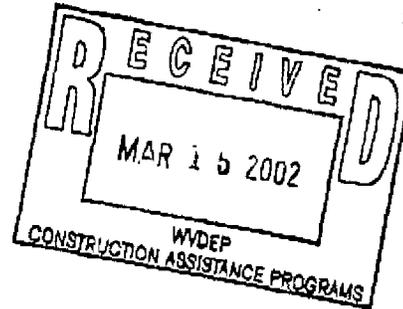
Division of Water Resources  
1201 Greenbrier Street  
Charleston, WV 25311-1088  
Telephone: (304) 558-4086 or 558-8855  
Fax: (304) 558-5903

# West Virginia Department of Environmental Protection

Bob Wise  
Governor

Michael O. Callaghan  
Secretary

March 14, 2002



Honorable Carolyn Peluso  
Mayor, City of Belmont  
Post Office Box 375  
218 Main Street  
Belmont, WV 26134

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0024490  
Modification No. 2

Dear Mayor Peluso:

This letter serves as Modification No. 2 of your existing WV/NPDES Water Pollution Control Permit No. WV0024490 issued the 30th day of December 1994.

After review and consideration of the information accompanying WV/NPDES Water Pollution Control Permit No. WV0024490 and after consideration of the information submitted on, and with Permit Modification Application No. WV0024490-B, dated the 3rd day of December 2001 and other relevant information, the subject Permit is hereby modified to incorporate the following:

1. Wastewater Collection System:

To acquire, construct, install, operate and maintain a wastewater collection system extension, upgrade and/or replacement of the existing wastewater collection system comprised of approximately 1,400 linear feet of four(4) inch diameter service line, 3,950 linear feet of eight(8) inch diameter gravity sewer line, repair and replacement of approximately 320 manholes, repair and rehabilitation of lift station(s) on Sun Street pump station, French Creek pump station, Myers Avenue pump station, trailer park pump station, 1,900 linear feet of six(6) inch diameter force main line, and all necessary appurtenances.

"To use all available resources to protect and restore West Virginia's environment in concert with the needs of present and future generations."



West Virginia  
Department of  
Environmental Protection

Received Time Aug.17. 2:46PM

2. Wastewater Treatment System:

To acquire, construct, install, operate, maintain and upgrade the existing wastewater treatment facilities from 0.12 million gallon per day [MGD] to 0.168 MGD comprised of a mechanical bar screen, manual grit removal channel, raising the existing oxidation ditch interior and exterior walls, removal of one(1) existing rotor assembly and installation of two(2) new rotor assemblies, conversion of one(1) existing clarifier to aerated sludge holding tank, installation of two(2) new clarifier units, conversion of existing on site simplex pump station to duplex pump station, installation of new flow splitter box, installation of new return activated sludge pump station with variable frequency drive, installation of new return sludge flow meter with totalizer, removal of existing chlorine contact basin, installation of new ultraviolet disinfection unit, installation of an ultrasonic effluent flow meter with totalizer and chart recorder, installation of a new belt filter press, and all necessary appurtenances.

3. The existing discharge point (Outlet No. 001) shall be relocated from French Creek. The new discharge point shall be located at coordinates 39° 23' 06" Latitude (North) and 81° 15' 17" Longitude (West) and shall be designated Outlet No. 002.
4. Facilities are to serve approximately 1,200 persons in the City of Belmont and discharge treated wastewater to the Ohio River at mile point 157.7.
5. Please find enclosed revised Section A., Page 2 of 10, along with a new Discharge Monitoring Report. These documents shall supersede the ones in your possession on completion of the upgrades of the wastewater collection and treatment system and should be incorporated into your existing WV/NPDES Water Pollution Control Permit.
6. The Discharge Load Allocation issued to the City of Belmont establishes a Total Residual Chlorine [TRC] limitations of 28.0 ug/l [Maximum Daily]. Because the City of Belmont is in the process of changing its disinfection method from chlorination to ultraviolet, the use of ultraviolet disinfection shall exempt the permittee from the requirements concerning the TRC parameter and testing. However, should the City of Belmont decide to keep and/or change disinfection process to chlorination process, this Division shall require modification of the WV/NPDES Permit and shall establish limitations and monitoring requirements for TRC.

Honorable Carolyn Peluso, Mayor  
City of Belmont  
Page 3  
March 14, 2002

7. The wastewater collection and treatment system improvements shall be constructed in accordance with the plans, specifications and reports approved by the Division of Water Resources, Construction Assistance Office. A further description of these documents is presented as follows:

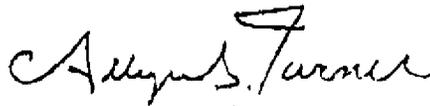
**SEWAGE COLLECTION SYSTEM AND TREATMENT PLANT  
IMPROVEMENTS CONSTRUCTED IN ACCORDANCE WITH:**

**Plans, Specifications, and Reports:**

Prepared by: Thrasher Engineering, Inc.  
30 Columbia Blvd.  
P. O. Box 1532  
Clarksburg, WV 26302-1532  
Title: City of Belmont  
Sanitary Sewer Collection System Improvements  
and  
Wastewater Treatment Plant Improvements  
Contract Nos.: 1 & 2  
SRF Project No.: C-544112  
Approvable Date: January 17, 2002.

All other terms and conditions of WV/NPDES Water Pollution Control Permit No. WV0024490 shall remain in effect and unchanged.

Sincerely,



Allyn G. Turner  
Director

AGT:bsg

Enclosure

cc: Env. Inspector Supervisor  
Env. Inspector  
Construction Assistance  
Phil Simmons, Thrasher Engineering

Received Time Aug. 17. 2:46PM



Division of Water Resources  
1201 Greenbrier Street  
Charleston, West Virginia 25311  
Phone (304) 558-4086  
Fax (304) 558-5903

## West Virginia Department of Environmental Protection

Bob Wise  
Governor

Michael O. Callaghan  
Cabinet Secretary

January 07, 2003

HONORABLE CAROLYN S. PELUSO  
CITY OF BELMONT  
P.O. BOX 375  
218 MAIN ST  
BELMONT, WV 26134

### CERTIFIED RETURN RECEIPT REQUESTED

Dear Permittee:

Enclosed please find WV/NPDES Permit Number WV0024490 dated January 07, 2003.

The Division wishes to address a comment provided by Environmental Enforcement.

Comment No. 1 : Request to reference Order No. 4001 in the permit.

A sentence has been added to Section C.6. to address why discharge from Outlet 001 shall be discontinued and discharge from Outlet 002 shall be implemented.

Please note that a Discharge Monitoring Report (DMR) is to be completed and submitted to this Division each month. It is suggested that several copies of the enclosed DMR forms be made for your future use, as this Division does not supply permittees with DMR forms.

Finally note that copies of all future correspondence regarding the permit including copies of DMRs must be forwarded to the Field Inspector and Field Supervisor at the following address:

Department of Environmental Protection  
Environmental Enforcement  
2031 Pleasant Valley Rd.  
Suite #1  
Fairmont, WV 26554

Also, please note the attachment to this permit which describes the annual permit fee requirement. Reissuance of your permit does not change the annual fee billing cycle.

Received Time Aug 17 2:46PM

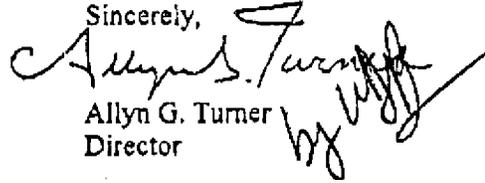
HONORABLE CAROLYN S. PELUSO

Page 2

January 07, 2003

If you have any questions, please contact Brian Carney of this Division at (304) 558-4086 or our TDD number (304) 558-2751.

Sincerely,

A handwritten signature in cursive script, appearing to read "Allyn G. Turner".

Allyn G. Turner  
Director

AGT:BC

Enclosures

Received Time Aug 17 2:46PM



STATE OF WEST VIRGINIA  
 DEPARTMENT OF ENVIRONMENTAL PROTECTION  
 DIVISION OF WATER RESOURCES  
 1201 GREENBRIER STREET  
 CHARLESTON, WV 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM  
 WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0024490  
 SUBJECT: Sewage

ISSUE DATE: January 07, 2003  
 EFFECTIVE DATE: February 06, 2003  
 EXPIRATION DATE: January 06, 2008  
 SUPERSEDES: Permit No. WV0024490  
 dated December 30, 1994

LOCATION: BELMONT	Pleasants	Middle Ohio River 1
(City)	(County)	(Drainage Basin)

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: CITY OF BELMONT  
 P.O. BOX 375  
 218 MAIN ST  
 BELMONT, WV 26134

is hereby granted a West Virginia NPDES Water Pollution Control Permit to:

Operate and maintain an existing 120,000 gallon per day sewage collection and treatment system consisting of 19,847 linear feet of gravity sewer lines, approximately 72 manholes, 1 cleanout, 4 lift stations, a lift station with 1,923 linear feet of two(2) inch force main, 7,050 linear feet of four (4) inch force main, 1,310 linear feet of six (6) inch force main, an oxidation ditch, a cominator, bar screen, a 122,000 gallon aeration chamber, a 15,040 gallon clarifier, a 3740 gallon chlorination chamber, two(2) drying beds with an area of 600 square feet.

The system was designed to serve 1200 persons in the City of Belmont and discharge the treated wastewater to French Creek (Mile Point 0.4), which is a tributary of the Ohio River.

To acquire, construct, install, operate and maintain a wastewater collection system extension, upgrade and/or replacement of the existing wastewater collection system comprised of approximately 1,400 linear feet of four(4) inch diameter service line, 3,950 linear feet of eight(8) inch diameter gravity sewer line, repair and replacement of approximately 320 manholes, repair and rehabilitation of lift station(s) on Sun Street pump station, French Creek pump station, Myers Avenue pump station, trailer park pump station, 1,900 linear feet of six(6) inch diameter force main line, and all necessary appurtenances.

To acquire, construct, install, operate, maintain and upgrade the existing wastewater treatment facilities from 0.12 million gallon per day [MGD] to 0.168 MGD comprised of a mechanical bar screen, manual grit removal channel, raising the existing oxidation ditch interior and exterior walls, removal of one(1) existing rotor assembly and installation of two(2) new rotor assemblies, conversion of one(1) existing clarifier to aerated sludge holding tank, installation of two(2) new clarifier units, conversion of existing on site simplex pump station to duplex pump station, installation of new flow splitter box, installation of new return activated sludge pump station with variable frequency drive, installation of new return sludge flow meter with totalizer, removal of existing chlorine contact basin, installation of new ultraviolet disinfection unit, installation of an ultrasonic effluent flow meter with totalize

and chart recorder, installation of a new belt filter press, and all necessary appurtenances.

This permit is subject to the following terms and conditions :

The information submitted on, and with, Permit Application No. WV0024490, dated the 26th of July, 2002, is all hereby made terms and conditions of this Permit with like effects as if all such Permit application information was set forth herein, and with other conditions set forth in Sections A, B, C, D, and Appendix A.

Bureau of Public Health Permit No. 4265.

**SEWAGE COLLECTION SYSTEM AND TREATMENT PLANT IMPROVEMENTS CONSTRUCTED IN ACCORDANCE WITH:**

**Plans, Specifications, and Reports:**

Prepared by: Thrasher Engineering, Inc.  
30 Columbia Blvd.  
P. O. Box 1532  
Clarksburg, WV 26302-1532

Title: City of Belmont  
Sanitary Sewer Collection System Improvements  
and  
Wastewater Treatment Plant Improvements

Contract Nos.: 1 & 2

SRF Project No.: C-544112

Approved Date: February 15, 2002

**The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.**

THE CITY OF BELMONT

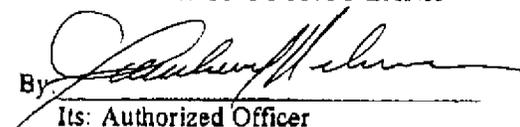
Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

RECEIPT AND RELEASE

The Pleasants County Bank, St. Marys, West Virginia, as holder of the Sewerage System Bond Anticipation Notes, Series 2001 (the "Prior Notes"), of The City of Belmont (the "Issuer"), dated September 5, 2001, in the original aggregate principal amount of \$160,000, hereby certifies that it has received the sum of \$134,698.08 from the Issuer on the date hereof and that such sum is sufficient to pay the entire outstanding principal amount of and all interest accrued on the Prior Notes to the date hereof and discharge the liens, pledges and encumbrances securing the Prior Notes.

Dated this 19th day of August, 2004.

THE PLEASANTS COUNTY BANK

By 

Its: Authorized Officer

08/11/04  
063490.00003

# ACORD INSURANCE BINDER

OP ID AH

DATE  
06/18/04

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER <b>Commercial Insurance Services</b> 340 MacCorkle Ave. Ste #200 Charleston WV 25314 Janet L. Buckley, AAI, CPIW	PHONE (AG. No. Ex): 304-345-8000 304-345-8014	COMPANY <b>Great American Insurance Co.</b>	BINDER # 1563												
CODE: AGENCY CUSTOMER ID: BELMO-1	SUB CODE:	<table border="1"> <tr> <th colspan="2">EFFECTIVE</th> <th colspan="2">EXPIRATION</th> </tr> <tr> <th>DATE</th> <th>TIME</th> <th>DATE</th> <th>TIME</th> </tr> <tr> <td>07/01/04</td> <td>12:01</td> <td>10/29/04</td> <td>NOON</td> </tr> </table>		EFFECTIVE		EXPIRATION		DATE	TIME	DATE	TIME	07/01/04	12:01	10/29/04	NOON
EFFECTIVE		EXPIRATION													
DATE	TIME	DATE	TIME												
07/01/04	12:01	10/29/04	NOON												
INSURED  City of Belmont 218 Main Street Belmont WV 26134		X THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: <b>MAC 699-45-17</b>													
DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)															

### COVERAGES

### LIMITS

TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input checked="" type="checkbox"/> SPEC	<b>Buildings</b>	1,000*	100	2,565,718
	<b>Contents</b>	1,000*	100	Included
<input checked="" type="checkbox"/> <b>Inland Marine</b>	<b>Contractor Equipment</b>	1,000	100	5,665
<input checked="" type="checkbox"/> <b>Boiler &amp; Machinery</b>	<b>Equipment Breakdown</b>	1,000*	100	Included
GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE	\$	
		FIRE DAMAGE (Any one fire)	\$	
		MED EXP (Any one person)	\$	
		PERSONAL & ADV INJURY	\$	
		GENERAL AGGREGATE	\$	
		PRODUCTS - COMP/OP AGG	\$	
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	RETRO DATE FOR CLAIMS MADE:	COMBINED SINGLE LIMIT	\$	
		BODILY INJURY (Per person)	\$	
		BODILY INJURY (Per accident)	\$	
		PROPERTY DAMAGE	\$	
		MEDICAL PAYMENTS	\$	
		PERSONAL INJURY PROT	\$	
		UNINSURED MOTORIST	\$	
			\$	
AUTO PHYSICAL DAMAGE DEDUCTIBLE <input type="checkbox"/> COLLISION: _____ <input type="checkbox"/> OTHER THAN COL: _____	<input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES	ACTUAL CASH VALUE		
		STATED AMOUNT	\$	
		OTHER		
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO	RETRO DATE FOR CLAIMS MADE:	AUTO ONLY - EA ACCIDENT	\$	
		OTHER THAN AUTO ONLY:		
		EACH ACCIDENT	\$	
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	AGGREGATE	\$	
		EACH OCCURRENCE	\$	
		SELF-INSURED RETENTION	\$	
		WC STATUTORY LIMITS		
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY	RETRO DATE FOR CLAIMS MADE:	E.L. EACH ACCIDENT	\$	
		E.L. DISEASE - EA EMPLOYEE	\$	
		E.L. DISEASE - POLICY LIMIT	\$	
		FEES	\$	
SPECIAL CONDITIONS/ OTHER COVERAGES	* Pump & Lift Stations has a \$5,000 deductible on building & contents. Building & Contents are on a scheduled basis.		TAXES	\$
			ESTIMATED TOTAL PREMIUM	\$

### NAME & ADDRESS

<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
<input type="checkbox"/> LOSS PAYEE	
LOAN #	
AUTHORIZED REPRESENTATIVE 	

# ACORD INSURANCE BINDER

OP ID AH

DATE  
06/18/04

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER <b>Commercial Insurance Services</b> 340 MacCorkle Ave. Ste #200 Charleston WV 25314 Janet L. Buckley, AAI, CPIW	PHONE (A/C. No, Ext): 304-345-8000 304-345-8014	COMPANY <b>Clarendon Insurance Group</b>	BINDER # 1562												
AGENCY CUSTOMER ID: BELMO-1	INSURED  City of Belmont 218 Main Street Belmont WV 26134	<table border="1"> <tr> <th>DATE EFFECTIVE</th> <th>TIME</th> <th>EXPIRATION DATE</th> <th>TIME</th> </tr> <tr> <td>07/01/04</td> <td>12:01</td> <td>10/29/04</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>		DATE EFFECTIVE	TIME	EXPIRATION DATE	TIME	07/01/04	12:01	10/29/04					
DATE EFFECTIVE	TIME	EXPIRATION DATE	TIME												
07/01/04	12:01	10/29/04													
CODE:	SUB CODE:	<input checked="" type="checkbox"/> THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: APR 12-00366-02													
DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)															

**COVERAGES**

**LIMITS**

TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
<b>PROPERTY CAUSES OF LOSS</b> <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC				
<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		\$1,000,000
		FIRE DAMAGE (Any one fire)		\$500,000
		MED EXP (Any one person)		\$5,000
		PERSONAL & ADV INJURY		\$1,000,000
		GENERAL AGGREGATE		\$2,000,000
		PRODUCTS - COMP/OP AGG		\$2,000,000
<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		COMBINED SINGLE LIMIT		\$
		BODILY INJURY (Per person)		\$
		BODILY INJURY (Per accident)		\$
		PROPERTY DAMAGE		\$
		MEDICAL PAYMENTS		\$
		PERSONAL INJURY PROT		\$
		UNINSURED MOTORIST		\$
<b>AUTO PHYSICAL DAMAGE</b> DEDUCTIBLE <input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES <input type="checkbox"/> COLLISION: <input type="checkbox"/> OTHER THAN COL:		ACTUAL CASH VALUE		
		STATED AMOUNT		\$
		OTHER		
<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO		AUTO ONLY - EA ACCIDENT		\$
		OTHER THAN AUTO ONLY:		
		EACH ACCIDENT		\$
		AGGREGATE		\$
<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		\$
		AGGREGATE		\$
		SELF-INSURED RETENTION		\$
<b>WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY</b>		<input checked="" type="checkbox"/> WG STATUTORY LIMITS		
		E.L. EACH ACCIDENT		\$1,000,000
		E.L. DISEASE - EA EMPLOYEE		\$1,000,000
		E.L. DISEASE - POLICY LIMIT		\$1,000,000
<b>SPECIAL CONDITIONS/ OTHER COVERAGES</b>	General Liability Includes: Public Officials and Employment Practices	FEES		\$
	\$2,500 Deductible.	TAXES		\$
		ESTIMATED TOTAL PREMIUM		\$

**NAME & ADDRESS**

<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
<input type="checkbox"/> LOSS PAYEE	
LOAN #	
AUTHORIZED REPRESENTATIVE	

# ACORD INSURANCE BINDER

OP ID AH

DATE  
06/18/04

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER	PHONE (A/C, No, Ext): 304-345-8000 304-345-8014	COMPANY	BINDER # 1561
Commercial Insurance Services 340 MacCorkle Ave. Ste #200 Charleston WV 25314		Clarendon Insurance Group	
Janet L. Buckley, AAI, CPIW		EFFECTIVE DATE: 07/01/04 TIME: 12:01	
CODE: SUB CODE:		EXPIRATION DATE: 10/29/04 TIME: X 12:01 AM X NOON	
AGENCY CUSTOMER ID: BELMO-1		X THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: APR 11-00366-02	
INSURED  City of Belmont 218 Main Street Belmont WV 26134		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)	

## COVERAGES

## LIMITS

TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC				
GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR	RETRO DATE FOR CLAIMS MADE:			EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$
AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$ MEDICAL PAYMENTS \$5,000 PERSONAL INJURY PROT \$ UNINSURED MOTORIST \$1,000,000 Underinsured Mot \$1,000,000
AUTO PHYSICAL DAMAGE DEDUCTIBLE <input checked="" type="checkbox"/> COLLISION: 500 <input checked="" type="checkbox"/> OTHER THAN COL: 500	<input type="checkbox"/> ALL VEHICLES <input checked="" type="checkbox"/> SCHEDULED VEHICLES			<input checked="" type="checkbox"/> ACTUAL CASH VALUE STATED AMOUNT \$ OTHER
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:			EACH OCCURRENCE \$ AGGREGATE \$ SELF-INSURED RETENTION \$ WC STATUTORY LIMITS
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
SPECIAL CONDITIONS/ OTHER COVERAGES				FEES \$ TAXES \$ ESTIMATED TOTAL PREMIUM \$

## NAME & ADDRESS

MORTGAGEE	ADDITIONAL INSURED
LOSS PAYEE	
LOAN #	
AUTHORIZED REPRESENTATIVE	

# ACORD INSURANCE BINDER

OP ID AH

DATE  
06/18/04

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER  Commercial Insurance Services 340 MacCorkle Ave. Ste #200 Charleston WV 25314 Janet L. Buckley, AAI, CPIW	PHONE (A/C, No, Ext): 304-345-8000 304-345-8014	COMPANY Clarendon Insurance Group	BINDER # 1560
CODE:	SUB CODE:	EFFECTIVE DATE: 07/01/04 TIME: 12:01 EXPIRATION DATE: 10/29/04 TIME: NOON <input checked="" type="checkbox"/> AM <input type="checkbox"/> PM	
AGENCY CUSTOMER ID: BELMO-1		X THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: APR 16-00366-02	
INSURED  City of Belmont 218 Main Street Belmont WV 26134		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)	

COVERAGES

LIMITS

TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC				
GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR	RETRO DATE FOR CLAIMS MADE:			EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/DP AGG \$
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$ MEDICAL PAYMENTS \$ PERSONAL INJURY PROT \$ UNINSURED MOTORIST \$
AUTO PHYSICAL DAMAGE DEDUCTIBLE <input type="checkbox"/> COLLISION: _____ <input type="checkbox"/> OTHER THAN COL: _____	<input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES			ACTUAL CASH VALUE STATED AMOUNT \$ OTHER
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:			EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 SELF-INSURED RETENTION \$10,000
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
SPECIAL CONDITIONS/OTHER COVERAGES				FEES \$ TAXES \$ ESTIMATED TOTAL PREMIUM \$

NAME & ADDRESS

<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
<input type="checkbox"/> LOSS PAYEE	
LOAN #	
AUTHORIZED REPRESENTATIVE	

# ACORD INSURANCE BINDER

OP ID A#

DATE  
06/18/04

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER <b>Commercial Insurance Services</b> 340 MacCorkle Ave. Ste #200 Charleston WV 25314 <b>Janet L. Buckley, AAI, CPIW</b>	PHONE (A/C, No, Ext): 304-345-8000 304-345-8014	COMPANY <b>Hartford Fire Insurance Co.</b>	BINDER # 1559
AGENCY CUSTOMER ID: BELMO-1	INSURED  <b>City of Belmont</b> 218 Main Street Belmont WV 26134	EFFECTIVE DATE: 07/01/04 12:01 AM EXPIRATION DATE: 10/29/04 NOON X THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: 14BPECJ8471	
DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)			

**COVERAGES**

**LIMITS**

TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
<b>PROPERTY CAUSES OF LOSS</b> <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC				
<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		\$
		FIRE DAMAGE (Any one fire)		\$
		MED EXP (Any one person)		\$
		PERSONAL & ADV INJURY		\$
		GENERAL AGGREGATE		\$
		PRODUCTS - COMP/OP AGG		\$
<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	RETRO DATE FOR CLAIMS MADE:	COMBINED SINGLE LIMIT		\$
		BODILY INJURY (Per person)		\$
		BODILY INJURY (Per accident)		\$
		PROPERTY DAMAGE		\$
		MEDICAL PAYMENTS		\$
		PERSONAL INJURY PROT		\$
		UNINSURED MOTORIST		\$
				\$
<b>AUTO PHYSICAL DAMAGE</b> DEDUCTIBLE: <input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES <input type="checkbox"/> COLLISION: <input type="checkbox"/> OTHER THAN COL:		ACTUAL CASH VALUE		
		STATED AMOUNT		\$
		OTHER		
<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO		AUTO ONLY - EA ACCIDENT		\$
		OTHER THAN AUTO ONLY:		
		EACH ACCIDENT		\$
		AGGREGATE		\$
<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		\$
		AGGREGATE		\$
		SELF-INSURED RETENTION		\$
		WC STATUTORY LIMITS		
<b>WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY</b>		E.L. EACH ACCIDENT		\$
		E.L. DISEASE - EA EMPLOYEE		\$
		E.L. DISEASE - POLICY LIMIT		\$
<b>SPECIAL CONDITIONS/ OTHER COVERAGES</b> Crime Coverage: Employee Dishonesty \$50,000 - \$1,000 Deductible; Money & Securities \$20,000 Inside/Outside - \$1,000 Deductible.		FEES		\$
		TAXES		\$
		ESTIMATED TOTAL PREMIUM		\$

**NAME & ADDRESS**

MORTGAGEE	ADDITIONAL INSURED
LOSS PAYEE	
LOAN #	
AUTHORIZED REPRESENTATIVE	

# ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID AH  
BELMO-1

DATE (MM/DD/YYYY)  
06/18/04

<b>PRODUCER</b> Commercial Insurance Services 340 MacCorkle Ave. Ste #200 Charleston WV 25314 Phone: 304-345-8000 Fax: 304-345-8014		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
<b>INSURED</b>  City of Belmont 218 Main Street Belmont WV 26134		<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>
		INSURER A: Clarendon Insurance Group	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	

## COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRO	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	APR 12-00366-03	07/01/04	07/01/05	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Emp Ben. 1,000,000
A		<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	APR 11-00366-03	07/01/04	07/01/05	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ GARAGE LIABILITY <input type="checkbox"/> ANY AUTO AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: - AGG \$
A		<b>EXCESS/UMBRELLA LIABILITY</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	APR 16-00366-03	07/01/04	07/01/05	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ \$ \$
A		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	APR 12-00366-03	07/01/04	07/01/05	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

### DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate Holder is named as Additional Insured and Loss Payee as respects to 2003 Chevy Silverado Pickup S#1GCHK24U73E193793 valued \$21,203 subject to \$500 Comprehensive and \$500 Collision Deductibles.

### CERTIFICATE HOLDER

UNION01

Union Bank of Tyler County  
 126 Second Street  
 St. Marys WV 26170

### CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



# ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID AH  
BELMO-1

DATE (MM/DD/YYYY)  
06/18/04

<b>PRODUCER</b> Commercial Insurance Services 340 MacCorkle Ave. Ste #200 Charleston WV 25314 Phone: 304-345-8000 Fax: 304-345-8014		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
<b>INSURED</b> City of Belmont 218 Main Street Belmont WV 26134		<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC #</b>
		INSURER A: Clarendon Insurance Group	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	

### COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	APR 12-00366-03	07/01/04	07/01/05	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Emp Ben. 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	APR 11-00366-03	07/01/04	07/01/05	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	APR 16-00366-03	07/01/04	07/01/05	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	APR 12-00366-03	07/01/04	07/01/05	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

### DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate Holder is named as additional insured for existence of railroad crossing in City of Belmont.

### CERTIFICATE HOLDER

CSXT-01  
 CSX Transportation Inc.  
 Speedcode J180  
 500 Water Street  
 Jacksonville FL 32202-4445

### CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25305

BOB WISE  
GOVERNOR

January 28, 2003

The Honorable Carolyn S. Peluso  
Mayor  
City of Belmont  
Post Office Box 375  
Belmont, West Virginia 26134-0375

Dear Mayor Peluso:

Thank you for your application to the Small Cities Block Grant program.

Your request has been approved in the amount of \$1,500,000. These funds will enable you to complete the wastewater system and treatment plant improvements project.

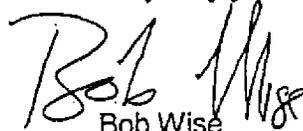
In order to effectively use the limited dollars available, I hereby commit \$750,000 from our fiscal year 2002 allocation that will immediately be available to you. The remaining \$750,000 necessary to complete this project will be evaluated and committed in the coming year. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind.

Please contact Mrs. Pamela K. King of the West Virginia Development Office, at (304) 558-4010, to complete the necessary contract in order to proceed with your project.

The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of intent for consideration from future allocations.

I am pleased to assist with these improvements for the citizens of Belmont.

Very truly yours,

  
Bob Wise  
Governor

BW:wss

IC-2  
(7/30/01)

## GRANT AGREEMENT

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and THE CITY OF BELMONT (the "Governmental Agency").

### R E C I T A L S

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$375,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

### T E R M S

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

6. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

7. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

8. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

THE CITY OF BELMONT

By: Roberto Key Lora  
Its: Mayor  
Date: August 19, 2004

(SEAL)

Attest:

Carrie L. Robinson  
Its: Recorder

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

By: Janice B. Gerbasi  
Its: Director  
Date: August 19, 2004

(SEAL)

Attest:

Barbara B. Meadows  
Its: Secretary-Treasurer

000832/00466  
7/19/04

## Exhibit A

### Project Description

The Project consists of construction of certain upgrades to the wastewater treatment system of the Governmental Agency, together with all appurtenant facilities.

# CLOSING MEMORANDUM

**To:** Financing Team  
**From:** John C. Stump, Esquire  
**Date:** August 19, 2004  
**Re:** The City of Belmont Sewer Revenue Bonds, Series 2004 A  
(West Virginia SRF Program)

---

## A. DISBURSEMENTS TO THE CITY OF BELMONT

Payor: West Virginia Department of Environmental Protection  
Amount: \$150,198  
Form: Check  
Payee: The City of Belmont  
Contact: Rosalie Brodersen - (304) 558-0637  
Account: Series 2004 A Bonds Construction Trust Fund

## B. DISBURSEMENTS BY THE CITY OF BELMONT

Payor: The City of Belmont  
Amount: \$134,698.08  
Form: Check  
Payee: The Pleasants County Bank  
Contact: F. Michael Nelson, President - (304) 684-2227  
Account: Pay in full and discharge the Sewerage System Bond Anticipation Note, Series 2001, of the City.

08/11/04  
063490.00003

**State of West Virginia**  
**WATER DEVELOPMENT AUTHORITY**  
 180 Association Drive, Charleston, WV 25311-1217  
 (304) 558-3612 - (304) 558-0299 (Fax)  
 Internet: www.wvwda.org - Email: contact@wvwda.org

**BOND CLOSING ATTENDANCE LIST**

Date August 19, 2004 Time 9:30 a.m. LGA City of Belmont Program CWSRF/IF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
John Stump	Stoptec + Johnson PLLC	353.8196	353.8181	stumpjc@stoptec-johnson.com
Doug Olds	WVWDA	558-3612	558-0299	dolds@wvwda.org
ROSE BRODERSEN	WV DEP	558-0637	558-3778	rbrodersen@wvdep.org
Franki Parsons	Jackson Kelly PLLC	340-1283	340-1093	fparsons@jacksonkelly.com
Barbara B Meadows	Water Development Auth.	558-3612	558-0299	bmeadows@wvwda.org

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Roberta Kay Larson Telephone 304.665.2160 E-Mail N/A  
 Address P.O. Box 375, Belmont, West Virginia 26134

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

AGENCY: ENVIRONMENTAL PROTECTION

WARRANT #: 1-3494746

TOTAL: \$150,198.00

DATE: 08/17/04

TRANSACTION ID INVOICE NUMBER  
I006512989 1, C544112

PAYEE REFERENCE

PURCHASE ORDER

AMOUNT  
\$150,198.00



If you have questions concerning the above, please call 304-759-0507.

REMOVE DOCUMENT ALONG THIS PERFORATION

CTL# 15058182

THIS WARRANT HAS MULTIPLE SECURITY FEATURES TO DETECT FRAUD AND COUNTERFEITING  
VOID UNLESS PRESENTED FOR PAYMENT WITHIN SIX MONTHS

# State of West Virginia

Important remittance information on top panel  
Remitter: ENVIRONMENTAL PROTECTION  
Questions? Contact: MARK DOYLE at 304-759-0507

STATE WARRANT # 1-3494746

AUGUST 17, 2004

PAYEE  
CITY OF BELMONT

\*\*\*\*\*\$150,198.00\*\*

1-3494746

WEST VIRGINIA TREASURY

*John D. Perdue*  
STATE TREASURER

*Glen B. Gainer III*  
AUDITOR

⑈ 13494746 ⑆ ⑆ 051902322 ⑆ 5270537822 ⑆