THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

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THE CITY OF HINTON
SEWER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA SRF PROGRAM); AND
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)

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THE CITY OF HINTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HINTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF HINTON OF NOT MORE THAN $2,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $2,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); 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 AN ARRA ASSISTANCE 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 HINTON:

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 Hinton (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Summers 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 extensions, additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of extension of collection system to two areas commonly

called Madams Creek and Gold Coast, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer, which constitute properties for the collection, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes (collectively, the "Project") (the existing public sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, in the total aggregate principal amount of not more than $2,500,000 in two or more series (collectively, the "Series 2009 Bonds"), initially planned to be (i) the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), in the aggregate principal amount of not more than $2,500,000 (the "Series 2009 A Bonds"); and (ii) the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the aggregate principal amount of not more than $2,500,000 (the "Series 2009 B Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; interest, if any, upon the Series 2009 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined) for the Series 2009 Bonds; 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 2009 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, 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 2009 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2009 Bonds be sold to the Authority pursuant to the terms and provisions of an ARRA assistance agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 Bonds as to liens, pledge, source of and security for payment, being the (i) Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated June 14, 1990, issued in the original aggregate principal amount of $637,262 (the "Series 1990 A Bonds"); (ii) Sewer Revenue Bonds, Series 1990 C (United States Department of Agriculture), dated June 14, 1990, issued in the original aggregate principal amount of $668,000 (the "Series 1990 C Bonds"); and (iii) Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated March 30, 2004, issued in the original aggregate principal amount of $490,000 (the "Series 2004 A Bonds"). There are also outstanding obligations of the Issuer which will be junior and subordinate to the Series 2009 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated June 14, 1990, issued in the original aggregate principal amount of $29,738 (the "Series 1990 B Bonds"). The Series 1990 A Bonds, the Series 1990 C Bonds, the Series 2004 A Bonds (collectively the "First Lien Bonds") and the Series 1990 B Bonds may be hereinafter collectively referred to as the "Prior Bonds".

The Series 2009 Bonds shall be issued on a parity with the First Lien Bonds and senior and prior to the Series 1990 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2009 Bonds, the Issuer will obtain (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds are met, (b) the written consent of the registered owners of the First Lien Bonds to the issuance of the Series 2009 Bonds on a parity with the First Lien Bonds; and (c) the written consent of the Holders of the Series 1990 B Bonds to the issuance of the Series 2009 Bonds senior and prior to the Series 1990 B Bonds. Except for the Prior Bonds the Issuer has no other bonds, notes, or other obligations secured by or payable from revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Issuer's Prior Bonds, and the Series 2009 Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the ARRA Assistance Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2009 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia.

J. 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 2009 Bonds for the purposes set forth herein.

K. 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 2009 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2009 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 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.

"ARRA Assistance Agreement" means the ARRA Assistance Agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2009 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.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2009 Bonds, or any other agency, board or department of the State 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.

"Bond Construction Trust Funds" means the respective Bond Construction Trust Funds established by Section 5.01 hereof.

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

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

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

"Bonds" means, collectively, the Series 2009 Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith and/or senior to the Series 2009 Bonds subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"City Clerk", "Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2009 Bonds for all or a portion of the proceeds of the Series 2009 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 Stafford Consultants Incorporated, Princeton, 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 costs of design, acquisition and construction of the Project as described in Section 1.02B hereof.

"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.

"First Lien Bonds" means the Series 1990 A Bonds, Series 1990 C Bonds and Series 2004 A Bonds.

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

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

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

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System and all parts thereof, all as calculated in accordance with sound accounting practices.

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

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

"Issuer" means The City of Hinton, a municipal corporation and political subdivision of the State of West Virginia, in Summers 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 2009 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2009 A Bonds Reserve Account or the Series 2009 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2009 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.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the SRF Administrative Fee (as hereinafter defined), insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

"Operation and Maintenance Fund" means the operation and maintenance fund established by Prior Ordinance.

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

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

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

"Prior Bonds" means, collectively, the Series 1990 A, Series 1990 B, Series 1990 C and Series 2004 A.

"Prior Ordinance" means the ordinance of the Issuer authorizing the issuance of the Prior Bonds.

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

"Qualified Investments" means and includes 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 or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or 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 Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is 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 established by Prior Ordinance and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2009 Bonds.

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

"Revenue Fund" means the Revenue Fund established by the Prior Ordinance and continued hereby.

"Series 1990 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated January 3, 1990, issued in the original aggregate principal amount of $664,013.

"Series 1990 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated January 3, 1990, issued in the original aggregate principal amount of $30,987.

"Series 1990 C Bonds" means the Issuer's Sewer Revenue Bonds, Series 1990 C (United States Department of Agriculture), dated June 14, 1990, issued in the original aggregate principal amount of $668,000.

"Series 2004 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated March 30, 2004, issued in the original aggregate principal amount of $490,000.

"Series 2009 A Bonds" means the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2009 A Bonds Reserve Account" means the Series 2009 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2009 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 2009 A Bonds in the then current or any succeeding year.

"Series 2009 A Bonds Sinking Fund" means the Series 2009 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2009 B Bonds" means the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, authorized by this Ordinance.

"Series 2009 B Bonds Reserve Account" means the Series 2009 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2009 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2009 B Bonds in the then current or any succeeding year.

"Series 2009 B Bonds Sinking Fund" means the Series 2009 B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2009 Bonds" means, collectively, the Series 2009 A Bonds and the Series 2009 B Bonds.

"Series 2009 Bonds Construction Trust Fund" means the Series 2009 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2009 Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the ARRA Assistance Agreement for the Series 2009 A Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2009 Bonds; provided, that any matter

intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2009 Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means the complete existing public sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $2,500,000, 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 2009 A Bonds and the Series 2009 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids or will receive and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed $2,500,000, of which up to $2,500,000 will be obtained from proceeds of the Series 2009 A Bonds and up to $2,500,000 will be obtained from proceeds of the Series 2009 B Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF ARRA ASSISTANCE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of paying a portion of the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2009 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2009 Bonds of the Issuer. The Series 2009 Bonds shall be issued in two series, each as a single bond, designated respectively as "Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program)", in the principal amount of not more than $2,500,000, and "Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)," in the principal amount of not more than $2,500,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2009 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the respective Bond Construction Trust Funds established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2009 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 ARRA Assistance Agreement. The Series 2009 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 2009 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 2009 Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2009 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2009 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 2009 Bonds shall cease to be such officer of the Issuer before the Series 2009 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 2009 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2009 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2009 Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2009 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 2009 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 2009 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2009 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 or transferring the registered Series 2009 Bonds are exercised, all Series 2009 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2009 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2009 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 any Series 2009 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2009 Bonds or, in the case of any proposed redemption of such 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 2009 Bonds 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 2009 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2009 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2009 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the First Lien Bonds and senior and prior to the Series 1990 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2009 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2009 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 2009 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 2009 Bonds to the original purchasers;

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

D. An executed copy of the ARRA Assistance Agreement; and

E. The unqualified approving opinions of bond counsel on the Series 2009 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2009 Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2009 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HINTON
SEWER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on the ___ day of _____, 2009, THE CITY OF HINTON, a municipal corporation and political subdivision of the State of West Virginia in Summers County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 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 ARRA Assistance Agreement (the "ARRA Assistance Agreement") by and among the Issuer, the Authority and the DEP dated _____, 2009.

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

full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2009, and a Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $637,262, (THE "SERIES 1990 A BONDS"), (II) SEWER REVENUE BONDS, SERIES 1990 C BONDS (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $668,000, (THE "SERIES 1990 C BONDS"), (III) SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA SRF PROGRAM) DATED MARCH 30, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $490,000 (THE "SERIES 2004 A BONDS"), AND (IV) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED _____, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2009 B BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE, AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $29,738, (THE "SERIES 1990 B BONDS").

THE SERIES 1990 A BONDS, THE SERIES 1990 C BONDS, THE 2004 A BONDS (COLLECTIVELY THE "FIRST LIEN BONDS") AND THE SERIES 1990 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the First Lien Bonds and the Series 2009 B Bonds, and senior and prior to the Series 1990 B Bonds and from monies in the Reserve Account created under the Bond Legislation for the Series 2009 A Bonds (the "Series 2009 A Bonds Reserve Account"), and unexpended proceeds of the Series 2009 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Series 2009 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to

establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenue on a parity with the Series 2009 A Bonds including the First Lien Bonds, Series 1990 B Bonds, and the Series 2009 B Bonds; provided however, that, so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2009 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Series 2009 A Bonds, including the Series 2009 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (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 described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond 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 HINTON 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 the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 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: _____, 2009.

_____
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

(FORM OF SERIES 2009 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HINTON
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)

No. BR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on the ___ day of _____, 2009, THE CITY OF HINTON, a municipal corporation and political subdivision of the State of West Virginia in Summers County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. This Bond shall not be subject to the SRF Administrative Fee (as defined in the hereinafter describe Bond Legislation).

This Bond shall bear no interest. Principal installments of this Bond are 100% forgivable as set forth in the ARRA Assistance Agreement.

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 ARRA Assistance Agreement (the "ARRA Assistance Agreement") by and among the Issuer, the Authority and the DEP, dated _____, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 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 _____, 2009, and a

Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $637,262, (THE "SERIES 1990 A BONDS"), (II) SEWER REVENUE BONDS, SERIES 1990 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $668,000, (THE "SERIES 1990 C BONDS"), (III) SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA SRF PROGRAM), DATED MARCH 30, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $490,000, (THE "SERIES 2004 A BONDS") AND (IV) SEWER REVENUE BONDS, SERIES 2009 A BONDS, DATED _____, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2009 A BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE, AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $29,738, (THE "SERIES 1990 B BONDS").

THE SERIES 1990 A BONDS, THE SERIES 1990 C BONDS, THE SERIES 2004 A BONDS (COLLECTIVELY THE "FIRST LIEN BONDS") AND THE SERIES 1990 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the First Lien Bonds and the Series 2009 A Bonds, and senior and prior to the Series 1990 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2009 B Bonds (the "Series 2009 B Bonds Reserve Account"), and unexpended proceeds of the Series 2009 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2009 B Bonds Reserve Account and unexpended proceeds of the Series 2009 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year

equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2009 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 B Bonds including the Series 2009 A Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2009 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2009 B Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Series 2009 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (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 described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond 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 HINTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, has caused this Bond to be dated the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2009.

_____
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of ARRA Assistance Agreement. The Series 2009 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the ARRA Assistance Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the ARRA Assistance Agreement in the forms 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 them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The ARRA Assistance Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated in this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule for the Series 2009 Bonds, 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 (or continued if previously established by the Prior Ordinance) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

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

(2) Operation and Maintenance Fund (established by Prior Ordinance);

(3) Renewal and Replacement Fund (established by Prior Ordinance); and

(4) Series 2009 Bonds Construction Trust Fund.

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

(1) Series 1990 A Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 1990 A Bonds Reserve Account (established by Prior Ordinance);

(3) Series 1990 B Bonds Sinking Fund (established by Prior Ordinance);

(4) Series 1990 B Bonds Reserve Account (established by Prior Ordinance);

(5) Series 1990 C Bonds Reserve Account (established by Prior Ordinance);

(6) Series 2004 A Bonds Sinking Fund (established by Prior Ordinance);

(7) Series 2004 A Bonds Reserve Account (established by Prior Ordinance);

(8) Series 2009 A Bonds Sinking Fund;

(9) Series 2009 A Bonds Reserve Account;

(10) Series 2009 B Bonds Sinking Fund; and

(11) Series 2009 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance and 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 the Prior Ordinance and in this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, transfer from the Operation and Maintenance Fund the amount necessary to pay current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission, the amount required by the Prior Ordinance for the payment of interest on the Series 1990 A Bonds and (ii) to the National Finance Office, the amount required by the Prior Ordinance for payment of interest on the Series 1990 C Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to (i) to the Commission, the amount required by the Prior Ordinance for payment of principal of the Series 1990 A Bonds and Series 2004 A Bonds; (ii) to the National Finance Office, the amount required by Prior Ordinance to pay principal on the Series 1990 C Bonds; and (iii) to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2009 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 2009 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (iv) to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2009 B Bonds, for deposit in the Series 2009 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2009 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2009 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective First Lien Bonds Reserve Accounts, the amount required by the Prior Ordinances; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2009 A Bonds, if not fully funded upon issuance of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 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 2009 A Bonds Reserve Requirement; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2009 B Bonds, if not fully funded upon issuance of the Series 2009 B Bonds, for deposit in the Series 2009 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 B Bonds Reserve Requirement; provided that, no further

payments shall be made into the Series 2009 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2009 B Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank (as required in the Prior Ordinance and not in addition thereto), for deposit in the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Sinking Fund the amounts required by the Prior Ordinance to pay principal of the Series 1990 B Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Reserve Account the amount required by the Prior Ordinance.

Monies in the Series 2009 A Bonds Sinking Fund and Series 2009 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2009 Bonds, respectively, as the same shall become due. Monies in the Series 2009 A Bonds Reserve Account and the Series 2009 B Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2009 Bonds, respectively, as the same shall come due, when other monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2009 Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and

applied in full, first to the next ensuing interest payment due on the Series 2009 Bonds, if any, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2009 A Bonds Reserve Account or the Series 2009 B Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above, all on a pro rata basis.

As and when additional Bonds ranking on a parity with the Series 2009 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 thereof.

The Issuer shall not be required to make any further payments into the Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund or the Series 2009 B Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2009 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the First Lien Bonds, the Series 2009 A Bonds, and the Series 2009 B Bonds in accordance with the respective principal amounts then Outstanding and senior and prior to the Series 1990 B Bonds.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2009 Bonds, respectively, under the conditions and restrictions set forth herein.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as 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.

C. 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 principal, interest and reserve payments with respect to the Series 2009 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 also 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 ARRA Assistance Agreement for the Series 2009 Bonds.

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

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above 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 on a parity and pro rata with respect to the Series 2009 Bonds and the Series 1990 A Bonds and senior and prior to the Series 1990 B Bonds all in accordance with the respective principal amounts outstanding 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 in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2009 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2009 A Bonds, there shall first be deposited with the Commission in the Series 2009 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2009 A Bonds, there shall be deposited with the Commission in the Series 2009 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

C. As the Issuer receives advances of the monies derived from the sale of the Series 2009 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2009 A Bonds.

D. From the proceeds of the Series 2009 B Bonds, there shall first be deposited with the Commission in the Series 2009 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

E. Next, from the proceeds of the Series 2009 B Bonds, there shall be deposited with the Commission in the Series 2009 B Bonds Reserve Account, the amount, if any, set forth in the supplemental Resolution for funding of the Series 2009 B Bonds Reserve Account.

F. As the Issuer receives advances of the monies derived from the sale of the Series 2009 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2009 B Bonds.

G. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2009 Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements of Bond Proceeds.

A. 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 2009 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2009 Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2009 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the ARRA Assistance Agreement, in compliance with the construction schedule; and

Pending such application, monies in the Series 2009 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

B. 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 2009 B Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2009 Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2009 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the ARRA Assistance Agreement, in compliance with the construction schedule; and

Pending such application, monies in the Series 2009 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 2009 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 2009 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 2009 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2009 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2009 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2009 Bonds issued hereunder shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the First Lien Bonds and senior and prior to the Series 1990 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the ARRA Assistance Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted June 3, 2009, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2009 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 ARRA Assistance Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2009 Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the ARRA Assistance 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 amounts required by this Bond Legislation and the ARRA Assistance Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance and with the written consent of the Authority.

So long as the Series 2009 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 immediately be remitted to the Commission for deposit in the Series 2009A Bonds Sinking Fund and the Series 2009 B Bonds Sinking Fund, respectively, pro rata with respect to the principal amount of each of the Bonds then Outstanding, 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 2009 A Bonds and the Series 2009 B Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2009 Bonds. All obligations issued by the Issuer after the issuance of the Series 2009 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 2009 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2009 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2009 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. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

No such additional Parity Bonds shall be issued except for the purposes of financing the costs of the design, acquisition and construction of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, or to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

So long as the Series 1990 C Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds Outstanding;

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

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 1990 C Bonds, representing 75% of the then-outstanding principal indebtedness.

So long as the Series 1990 A Bonds, Series 2004 A Bonds or the Series 2009 Bonds are outstanding, 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 Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

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

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

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

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

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

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

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2009 Bonds and shall mail in each year to any Holder or Holders of the Series 2009 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 (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2009 Bonds and shall submit the report to the Authority and the DEP or any other original purchaser of the Series 2009 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 and ARRA Assistance 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 ARRA Assistance 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 the ARRA Assistance Agreement for the Series 2009 Bonds or any Exhibit thereto or as promulgated from time to time.

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

Section 7.09. Rates. Prior to the issuance of the Series 2009 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and

form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are outstanding and thereafter, (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 2009 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2009 Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2009 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2009 Bonds.

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

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

maintenance of the System at all reasonable times to the Authority, the DEP and any Holder of any Bonds or anyone acting for and on behalf of such Holder.

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the ARRA Assistance 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, 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 ARRA Assistance Agreement for the Series 2009 Bonds 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 ARRA Assistance 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, 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 either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2009 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. In the event of any damage to or destruction of any portion of the System, 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 ARRA Assistance 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 amount of any 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 Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall 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 ARRA Assistance Agreement so require, 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 will complete the acquisition and construction of the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, 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 all approvals of issuance of the Series

2009 Bonds required by State law, with all requisite appeal periods having expired without successful appeal, except as otherwise provided in Section 1.02(I).

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

Section 7.19. [RESERVED}.

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2009 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 2009 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 2009 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding 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.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2009 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2009 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the First Lien Bonds and senior and prior to the Series 1990 B Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission or 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 2009 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2009 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2009 Bonds as a condition to issuance of the Series 2009 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 2009 Bonds as may be necessary in order to maintain the status of the Series 2009 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 2009 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2009 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the 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 2009 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 2009 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2009 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions relating to the Series 2009 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2009 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder 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 or Bondholders 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 or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2009 Bonds shall

be on a parity with those of the Holders of the First Lien Bonds, and senior and prior to the Series 1990 B Bonds.

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

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

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

Such receiver, in the performance of the powers herein above 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 Series 2009 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2009 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2009 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 2009 A Bonds from gross income for federal income tax purposes.

Section 10.02. Payment of Series 2009 B Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of all of the Series 2009 B Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2009 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2009 B Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. American Recovery and Reinvestment Act. If the Issuer is notified by DEP that one or more of its Bonds will be purchased by the Authority on behalf of DEP using funding from the ARRA, then the terms and conditions contained in the ARRA Assistance Agreement required by the ARRA will be incorporated herein and made a part of this Bond Legislation as if specifically set forth herein. The Issuer will follow the requirements set forth by DEP and will provide ongoing reporting and information as is required by DEP and the ARRA.

Section 11.02. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2009 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2009 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 2009 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2009 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2009 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2009 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2009 Bonds from gross income of the holders thereof.

Section 11.03. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.04. 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 2009 Bonds.

Section 11.05. 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 11.06. Conflicting Provisions Repealed; Prior Ordinance. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.07. 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.

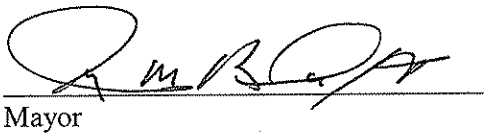
Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.09. 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 *Hinton News,* a newspaper of general circulation in The City of Hinton, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2009 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: August 18, 2009

Passed on Second Reading: August 25, 2009

Passed on Final Reading
Following Public Hearing: September 15, 2009



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of THE CITY OF HINTON on the 15th day of September, 2009.

Dated: December 2, 2009.

[SEAL]

Recorder

EXHIBIT A

ARRA Assistance Agreement included in bond transcript as Document 3

08.04.09
414550.00004

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA) OF THE CITY OF HINTON; APPROVING AND RATIFYING THE ARRA ASSISTANCE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City council (the "Governing Body") of The City of Hinton (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a Bond Ordinance, effective September 15, 2009 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HINTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF HINTON OF NOT MORE THAN $2,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $2,500,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); 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 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 the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) in an aggregate principal amount not to exceed $2,500,000 and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) in an aggregate principal amount not to exceed $2,500,000;

WHEREAS, the Series 2009 A Bonds will not be issued as the Issuer obtained funds from an Infrastructure Fund grant to pay costs not eligible to be paid by the Series 2009 B Bonds;

WHEREAS, the Bond Ordinance has authorized the execution and delivery of an ARRA Assistance Agreement relating to the Series 2009 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 "ARRA Assistance 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 ARRA Assistance Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2009 Bonds should be established by a supplemental resolution pertaining to the Series 2009 Bonds; and that other matters relating to the Series 2009 Bonds be herein provided for;

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

WHEREAS, the Series 2009 B Bonds are proposed to be purchased by the Authority pursuant to the ARRA Assistance Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the ARRA Assistance Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2009 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2009 Bonds be herein provided for;

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

Section 1. Section 2.01 of the Bond Ordinance is hereby revised and restated in its entirety as follows:

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 not to exceed $1,770,646, 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 2009 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids or will receive and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed $1,770,646, of which up to $1,662,000 will be obtained from proceeds of the Series 2009 B Bonds and up to $108,646 will be obtained from proceeds of an Infrastructure Fund grant.

Section 2. Section 5.02 of the Bond Ordinance is hereby revised and restated in its entirety as follows:

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

(1) Series 1990 A Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 1990 A Bonds Reserve Account (established by Prior Ordinance);

(3) Series 1990 B Bonds Sinking Fund (established by Prior Ordinance);

(4) Series 1990 B Bonds Reserve Account (established by Prior Ordinance);

(5) Series 1990 C Bonds Reserve Account (established by Prior Ordinance);

(6) Series 2004 A Bonds Sinking Fund (established by Prior Ordinance);

(7) Series 2004 A Bonds Reserve Account (established by Prior Ordinance);

(8) Series 2009 B Bonds Sinking Fund; and

(9) Series 2009 B Bonds Reserve Account.

Section 3. Section 5.03 of the Bond Ordinance is hereby revised and restated in its entirety as follows:

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance and 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 the Prior Ordinance and in this Bond Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, transfer from the Operation and Maintenance Fund the amount necessary to pay current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission, the amount required by the Prior Ordinance for the payment of interest on the Series 1990 A Bonds and (ii) to the National Finance Office, the amount required by the Prior Ordinance for payment of interest on the Series 1990 C Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to (i) to the Commission, the amount required by the Prior Ordinance for payment of principal of the Series 1990 A Bonds and Series 2004 A Bonds; (ii) to the National Finance Office, the amount required by Prior Ordinance to pay principal on the Series 1990 C Bonds; and (iii) to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2009 B Bonds, for deposit in the Series 2009 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2009 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2009 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the respective First Lien Bonds Reserve Accounts, the amount required by the Prior Ordinances; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2009 B Bonds, if not fully funded upon issuance of the Series 2009 B Bonds, for deposit in the Series 2009 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2009 B Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank (as required in the Prior Ordinance and not in addition thereto), for deposit in the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, 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 accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Sinking Fund the amounts required by the Prior Ordinance to pay principal of the Series 1990 B Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Reserve Account the amount required by the Prior Ordinance.

Monies in the Series 2009 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2009 Bonds, respectively, as the same shall become due. Monies in the Series 2009 B Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2009 Bonds, respectively, as the same shall come due, when other monies in the Series

2009 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2009 Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2009 Bonds, if any, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2009 B Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above, all on a pro rata basis.

As and when additional Bonds ranking on a parity with the Series 2009 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 thereof.

The Issuer shall not be required to make any further payments into the Series 2009 B Bonds Sinking Fund or the Series 2009 B Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2009 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the First Lien Bonds, and the Series 2009 B Bonds in accordance with the respective principal amounts then Outstanding and senior and prior to the Series 1990 B Bonds.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or

account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2009 Bonds, respectively, under the conditions and restrictions set forth herein.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as 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.

C. 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 principal, interest and reserve payments with respect to the Series 2009 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 also 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 ARRA Assistance Agreement for the Series 2009 Bonds.

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

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

Revenue Fund and electronically transferred to the Commission on the dates required.

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above 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 on a parity and pro rata with respect to the Series 2009 Bonds and the Series 1990 A Bonds and senior and prior to the Series 1990 B Bonds all in accordance with the respective principal amounts outstanding 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 in the Revenue Fund and may be used for any lawful purpose of the System.

Section 4. 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 2009 B (West Virginia SRF Program/ARRA), of the Issuer, originally represented by a single Bond, numbered BR-1, in the original aggregate principal amount of $1,662,000. The Series 2009 B Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2020, and shall bear no interest. The principal of the Series 2009 B Bonds shall be forgivable quarterly, on March 1, June 1, September 1 and December 1 of each year, commending March 1, 2011, to and including December 1, 2020, and in the amounts as set forth in the "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Series 2009 B Bonds. The Series 2009 B 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 ARRA Assistance Agreement, so long as the Authority shall be the registered owner of the Series 2009 B Bonds. The Series 2009 B Bonds are not subject to the SRF Administrative Fee.

Section 5. All other provisions relating to the Series 2009 B Bonds and the text of each series of the Series 2009 B Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 6. The Issuer does hereby authorize, approve, ratify and accept the ARRA Assistance Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the ARRA Assistance 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 ARRA Assistance Agreement and in the applications to the DEP and the Authority. The price of the Series 2009 B Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2009 B Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 7. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2009 B Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2009 B 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 8. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2009 B Bonds under the Bond Ordinance.

Section 9. The Issuer does hereby appoint and designate First Century Bank, Hinton, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 10. Series 2009 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2009 B Bonds Reserve Account.

Section 11. The balance of the proceeds of the Series 2009 B Bonds shall be deposited in or credited to the Series 2009 Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2009 B Bonds and related costs.

Section 12. 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 Series 2009 B Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2009 B Bonds may be delivered on or about December 2, 2009, to the Authority pursuant to the ARRA Assistance Agreement.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2009 B Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 15. 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 Sinking Funds and the Reserve Accounts for the Series 2009 B Bonds, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 16. The Issuer herby consents and agrees to the Special Conditions of the ARRA Assistance Agreement hereto attached as Exhibit A and incorporated herein.

Section 17. The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

Section 18. The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 19. This Supplemental Resolution shall be effective immediately following adoption hereof.

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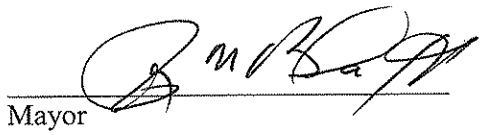
Adopted this 17th day of November, 2009.



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Hinton on the 17th day of November, 2009.

Dated: December 2, 2009.

[SEAL]

Recorder

10.13.09
414550.00004

EXHIBIT A

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP. New systems shall submit the asset management plan to DEP when the Project is complete. Existing systems shall submit the asset management plan to DEP within six months following completion of the Project.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. PURCHASING REQUIREMENTS – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. SUSPENSION AND DEBARMENT – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. REPORTING – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. INSPECTOR GENERAL REVIEWS – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. FALSE CLAIMS – The Local Government must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. LIMIT ON FUNDS – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements applicable to ARRA funds.

O. OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. DISADVANTAGED BUSINESS ENTERPRISE – Pursuant to 40 CFR, Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments

of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond funded by ARRA funds shall be designated "Series [2009] B" and shall contain "(WVCWSRF Program/ARRA)" in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved or enacted customer rates for at least eighteen months after completion of the Project or until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses.

SRF-ARRA/M
(08/09)

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SRF PROGRAM

ARRA ASSISTANCE AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND ARRA ASSISTANCE AGREEMENT (the "ARRA Assistance 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 HINTON (C-544325-02/2009S-1140)
(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, the United States Congress has provided additional capitalization grant funding under the Clean Water Act through the American Recovery and Reinvestment Act of 2009 (the "ARRA");

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 direct the distribution of loans to particular local governments pursuant to the Clean Water Act and the ARRA;

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, the ARRA provides that at least fifty percent (50%) of the funds provided through the capitalization grant be provided as negative interest loans or principal forgiveness (the "ARRA Assistance");

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 make loans from the Fund to local governments 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, the ARRA 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 a Loan with attachments and exhibits and an Amended Application for a Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and 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.

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, the ARRA. 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 "Loan" means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this ARRA Assistance Agreement.

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

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

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

1.7 "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, including ARRA Assistance.

1.8 "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.

1.9 "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.

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

1.11 "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.

1.12 Additional terms and phrases are defined in this ARRA Assistance 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 ARRA Assistance 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 Loan 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 Loan 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 Record Drawing, 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 ARRA Assistance 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 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.

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan 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 Loan will be expended and the procedures as to the disbursement of loan 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 ARRA Assistance 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 Loan 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 ARRA Assistance 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 including rules, regulations and procedures promulgated under the Clean Water Act and/or the ARRA, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this ARRA Assistance 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 Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of

execution of this ARRA Assistance 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 loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this ARRA Assistance Agreement on or prior to the Date of Loan 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 loans will be originated 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 Loan; Repayment of Loan; Interest on Loan; Fees and Charges

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, 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) unless waived or modified by Schedule X and 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, if applicable); 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) Unless waived in Schedule X, 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 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 notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the 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. When required by the Authority, the Local Government shall make monthly payments to the Commission by electronic transfer;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the 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 Loan 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 Loan 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 make any loans 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 make the Loan.

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

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this ARRA Assistance 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 ARRA Assistance Agreement.

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

5.4 The 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 ARRA Assistance 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 ARRA Assistance Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this ARRA Assistance Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this ARRA Assistance Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan 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 ARRA Assistance Agreement.

6.3 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.

ARTICLE VII

Miscellaneous

7.1 Schedules X and Y shall be attached to this ARRA Assistance Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the 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 ARRA Assistance 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 ARRA Assistance Agreement, and this ARRA Assistance Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This ARRA Assistance 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 ARRA Assistance Agreement.

7.4 No waiver by any party of any term or condition of this ARRA Assistance 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 ARRA Assistance Agreement.

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

7.6 By execution and delivery of this ARRA Assistance 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 ARRA Assistance 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;

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

(v) provided that the Authority and DEP reserve the right to terminate this ARRA Assistance Agreement upon five days written notice if the Local Bonds are not issued and the Project is not under written contract by January 28, 2010.

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

CITY OF HINTON

(SEAL)

By: _____
Its: Mayor
Date: December 2, 2009

Attest:

_____
Its: Recorder

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

By: Scott G. Mandirola
Its: Acting Director
Date: December 2, 2009

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: December 2, 2009

Attest:

Carol A. Cummings
Its: Secretary-Treasurer

{C1630317.1}

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** _____

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

_____
Name of Person Completing Form

_____
Address

_____
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 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT 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 ARRA Assistance 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 A attached hereto as Exhibit

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

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

By _____
West Virginia License No.

[SEAL]

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

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

EXHIBIT E

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP. New systems shall submit the asset management plan to DEP when the Project is complete. Existing systems shall submit the asset management plan to DEP within six months following completion of the Project.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. PURCHASING REQUIREMENTS – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42

U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. SUSPENSION AND DEBARMENT – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. REPORTING – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. INSPECTOR GENERAL REVIEWS – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. FALSE CLAIMS – The Local Government must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. LIMIT ON FUNDS – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements applicable to ARRA funds.

O. OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. DISADVANTAGED BUSINESS ENTERPRISE – Pursuant to 40 CFR, Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond funded by ARRA funds shall be designated "Series [2009] B" and shall contain "(WVCWSRF Program/ARRA)" in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved or enacted customer rates for at least eighteen months after completion of the Project or until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses.

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 Loan Closing]

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

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

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 ARRA assistance agreement dated _____, ____, including all schedules and exhibits attached thereto (the "ARRA Assistance 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 ARRA Assistance Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest 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 ARRA Assistance 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 ARRA Assistance 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 ARRA Assistance 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 ARRA Assistance 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 ARRA Assistance 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 ARRA Assistance 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

A. Series B Bonds (ARRA)
Principal Amount of Local Bonds $1,662,000
Purchase Price of Local Bonds $1,662,000

The Local Bonds shall bear no interest. The Authority at the direction of the DEP shall forgive the principal amount of the Local Bonds. Principal forgiveness shall begin on March 1, 2011 and shall be made quarterly thereafter (March 1, June 1, September 1 and December 1 of each year) as set forth on Schedule Y attached hereto and incorporated herein by reference for a period of ten years.

The Local Bonds are fully registered in the name of the Authority.

The Local Government shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Local Bonds.

The Local Government shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

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.

Number of New Customers to Be Served: 23
Location: Along WV Route 20 in the Gold Coast area near Hinton.

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:

(i) City of Hinton Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated June 14, 1990, issued in the original aggregate principal amount of $637,262;

(ii) City of Hinton Sewer Revenue Bonds, Series 1990 C (United States Department of Agriculture), dated June 14, 1990, issued in the original aggregate principal amount of $668,000; and

(iii) City of Hinton Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated March 30, 2004, issued in the original aggregate principal amount of $490,000 (the "Series 2004 A Bonds").

There are also outstanding obligations of the Issuer which will be junior and subordinate to the Series 2009 Bonds as to liens, pledge, source of and security for payment, being the City of Hinton's Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated June 14, 1990, issued in the original aggregate principal amount of $29,738.

SCHEDULE Y
DEBT SERVICE SCHEDULE

	10 Years			
		Dated Date	12/2/09	
		Delivery Date	12/2/09	
				Series B
	Period Ending	**Debt Service**		**Principal Forgiveness**
	12/2/09			
	3/1/11	-41,550		-41,550
	6/1/11	-41,550		-41,550
	9/1/11	-41,550		-41,550
	12/1/11	-41,550		-41,550
	3/1/12	-41,550		-41,550
	6/1/12	-41,550		-41,550
	9/1/12	-41,550		-41,550
	12/1/12	-41,550		-41,550
	3/1/13	-41,550		-41,550
	6/1/13	-41,550		-41,550
	9/1/13	-41,550		-41,550
	12/1/13	-41,550		-41,550
	3/1/14	-41,550		-41,550
	6/1/14	-41,550		-41,550
	9/1/14	-41,550		-41,550
	12/1/14	-41,550		-41,550
	3/1/15	-41,550		-41,550
	6/1/15	-41,550		-41,550
	9/1/15	-41,550		-41,550
	12/1/15	-41,550		-41,550
	3/1/16	-41,550		-41,550
	6/1/16	-41,550		-41,550
	9/1/16	-41,550		-41,550
	12/1/16	-41,550		-41,550
	3/1/17	-41,550		-41,550
	6/1/17	-41,550		-41,550
	9/1/17	-41,550		-41,550
	12/1/17	-41,550		-41,550
	3/1/18	-41,550		-41,550
	6/1/18	-41,550		-41,550
	9/1/18	-41,550		-41,550
	12/1/18	-41,550		-41,550
	3/1/19	-41,550		-41,550
	6/1/19	-41,550		-41,550
	9/1/19	-41,550		-41,550
	12/1/19	-41,550		-41,550
	3/1/20	-41,550		-41,550
	6/1/20	-41,550		-41,550
	9/1/20	-41,550		-41,550
	12/1/20	-41,550		-41,550
		-1,662,000		**-1,662,000**

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

CITY OF HINTON SANITARY BOARD

Case No.: 03-0900-S-CN

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, TO-WIT:

AFFIDAVIT

We have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 03-0900-S-CN dated August 13, 2009 approving a loan in the amount of $1,662,000 from the Department of Environmental Protection with 100% debt forgiveness and no administrative fee, using funds provided by *The American Recovery and Reinvestment Act of 2009*, and based upon all the information that has been provided to us, to date, we are of the opinion that the rates and charges for the City (i) are not affected by the revised funding consisting of a loan in the amount of $1,662,000 from the Department of Environmental Protection with 100% debt forgiveness and no administrative fee, using funds provided by *The American Recovery and Reinvestment Act of 2009*, and a $108,646 Infrastructure and Jobs Development Council grant; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow us to provide the CPA certification required for the issuance of the Bonds.

This Affidavit is executed on the 17th day of November, 2009.

Griffith & Associates, PLLC

Taken, subscribed and sworn to before me this 17th day of November, 2009.

My commission expires April 26, 2014.

Dreama Kingrey
Notary Public

[SEAL]

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DREAMA KINGREY
GRIFFITH & ASSOCIATES
950 LITTLE COAL RIVER ROAD
ALUM CREEK, WV 25003
My commission expires April 26, 2014

Michael D. Griffith, CPA, AFI
michaelgriffithcpa@verizon.net
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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November 18, 2009

Via Hand Delivery

RECEIVED
09 NOV 18 AM 11:51
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Sandra Squire, *Executive Secretary*
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25323

Re: Case No.: 03-0900-S-CN
CITY OF HINTON SANITARY BOARD
GOLD COAST PROJECT

Dear Ms. Squire:

Enclosed herein for filing on behalf of the City of Hinton, please find an affidavit by the City's certified public accountant.

Please file the enclosed affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, I ask that you date stamp the file copy provided and return it with our messenger. Thank you in advance for your attention to this matter, and should you have any questions please contact me at (304) 353-8196.

Best Regards,

John C. Stump
(W. V. State Bar No. 6385)

Enclosures
cc: David L. Ziegler, Esquire (w/o enclosures)
Michael Griffith, CPA (w/o enclosures)

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The Worldwide Network of Independent Law Firms

Griffith & Associates, PLLC Accountants & Consultants

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

CITY OF HINTON SANITARY BOARD

Case No.: 03-0900-S-CN

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, TO-WIT:

RECEIVED
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W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

AFFIDAVIT

We have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 03-0900-S-CN dated August 13, 2009 approving a loan in the amount of $1,662,000 from the Department of Environmental Protection with 100% debt forgiveness and no administrative fee, using funds provided by *The American Recovery and Reinvestment Act of 2009*, and based upon all the information that has been provided to us, to date, we are of the opinion that the rates and charges for the City (i) are not affected by the revised funding consisting of a loan in the amount of $1,662,000 from the Department of Environmental Protection with 100% debt forgiveness and no administrative fee, using funds provided by *The American Recovery and Reinvestment Act of 2009*, and a $108,646 Infrastructure and Jobs Development Council grant; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow us to provide the CPA certification required for the issuance of the Bonds.

This Affidavit is executed on the 17th day of November, 2009.

Griffith & Associates, PLLC

Taken, subscribed and sworn to before me this 17th day of November, 2009.

My commission expires April 26, 2014.

Dreama Kingrey
Notary Public

[SEAL]

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DREAMA KINGREY
GRIFFITH & ASSOCIATES
950 LITTLE COAL RIVER ROAD
ALUM CREEK, WV 25003
My commission expires April 26, 2014

Michael D. Griffith, CPA, AFI
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Phone: (304) 756.3600 Facsimile: (304) 756.2911

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

9/2/2009

Entered: August 13, 2009

CASE NO. 03-0900-S-CN

CITY OF HINTON SANITARY BOARD,
a municipal utility, Hinton, Summers County.
Application for a certificate of convenience and necessity to construct a sewage collection system at Route 20 across the New River from Hinton and in the Village of Brooklin, lying in both Summers and Raleigh Counties.

RECOMMENDED DECISION

On June 12, 2003, the City of Hinton Sanitary Board (City) filed an application for a certificate of convenience and necessity to construct certain additions and improvements to its sewage collection system in Summers and Raleigh Counties. The proposed project would consist of the construction of a collection system to serve approximately sixty-six residential and commercial customers (88 equivalent residential customers) in the Gold Coast and Brooklin areas.[1] The proposed project would consist of approximately 9,000 linear feet of 8-inch gravity sewers; approximately 9,000 linear feet of 6 and 4-inch force mains; three pumping stations; and all related appurtenances and earth work. The City of Hinton estimated that the proposed construction would cost approximately $1,695,000, with the costs being financed by a West Virginia Department of Environmental Protection (WVDEP) grant in the amount of $920,000, and a WVDEP State Revolving Fund (SRF) loan in the amount of $775,000. The City of Hinton requested no change in its existing rates due to the proposed project.

[1]The petition also included an alternate project for just the Gold Coast area to allow for the situation of construction bids coming in higher than the estimated costs. The alternate eliminated the Madams Pump Station and the collection system for the Brooklin Community. The alternate project would serve approximately forty-seven equivalent residential customers. If the need for the use of the alternate project materialized, the City of Hinton will have to request from the Commission a reopening of the certificate case for appropriate adjustments and approval. At that time, Commission Staff would review the submitted alternate project information for approval.

By Recommended Decision issued on September 24, 2003, the application for a certificate of convenience and necessity filed by the City to construct a sewage collection system to serve approximately 66 residential and commercial customers in the Gold Coast and Brooklin areas of Summers and Raleigh Counties, West Virginia, for a total project cost not to exceed $1,695,000 was granted. The specified funding consisting of a grant and a loan form the West Virginia Department of Environmental Protection was also approved. The Recommended Decision of September 24, 2003, became a Final Order of the Commission on October 14, 2003, by virtue of no exceptions being filed to the Decision.

On January 23, 2004, the City filed a petition to reopen this proceeding to change the scope and financing for the project. The bids substantially exceeded the available funding and, as a result, the City sought to delete the Gold Coast portion of the project. The deletion of the Gold Coast portion of the project would allow the City to proceed with the previously approved grant and loan funding.

By Commission Order entered on March 26, 2004, the City's petition was granted and the scope of the project was revised so that it would provide sewer service to approximately 40 residential customers in the village of Brooklin. Revised funding was also approved.

On May 14, 2009, the City filed a second motion to reopen this matter, stating that new funding sources had become available and the City now would like to extend the collection system to the Gold Coast area which was dropped from the original project in 2004. The motion stated that the City had a sewer rate increase municipal ordinance in process and it was anticipated that the proposed Gold Coast project would not require a rate increase beyond the one now in progress.

On May 21, 2009, the City filed a Rule 42 exhibit for the Gold Coast project, based on the fiscal year ended June 30, 2008, and current and planning information. Along with the Rule 42 exhibit, the City filed two copies of the engineering plans and specifications for the project. On June 4, 2009, the City filed additional copies of the Rule 42 exhibit.

On June 10, 2009, Staff Attorney Cassius H. Toon filed the Initial Joint Staff Memorandum in this proceeding, attached to which was the Initial Staff Internal Memorandum prepared by Utilities Analyst Troy Eggleton of the Water and Wastewater Division and Technical Analyst Associate David W. Holley of the Engineering Division . Staff's information was that the funding for the proposed project would be stimulus money. Staff believes that the municipal rates that are the subject of the current municipal ordinance for the City will be sufficient to fund the project. The ordinance was adopted on May 19, 2009, and will be effective for service rendered after July 3, 2009. The ordinance was submitted for review on May 28, 2009. Staff indicated that the 30-day period for filing a municipal appeal had not expired. Staff requested seven specific items of information which it required in order to make a final recommendation in this proceeding.

On June 18, 2009, the City submitted two copies of a facilities plan amendment to the Gold Coast system extension dated May 26, 2009, which responded to four of the Staff's seven requests. With regard to Staff's fifth requested item, the City indicated that revised drawings and

specifications were submitted to the DEP on May 15, 2009, and a representative of DEP had advised the project engineer that DEP would approve the project within the next one to two weeks. With regard to Staff's sixth requested item, the City indicated that it thought it could advertise the project for construction immediately upon receiving approval from the Commission and the DEP. Finally, the City submitted a letter, from the DEP, dated June 8, 2009, informing the City that it appeared to be eligible to be considered for a loan of $1,662,000 using funds provided by The American Recovery and Reinvestment Act of 2009 (ARRA) with 100% debt forgiveness and no annual administrative fee.

By Commission Order entered on June 24, 2009, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before August 13, 2009.

On July 30, 2009, the City filed an unaudited 2009 cash flow statement.

On August 7, 2009, Staff Attorney Toon filed the Final Joint Staff Memorandum in this proceeding, attached to which was the Final Staff Internal Memorandum prepared by Mr. Eggleton and Mr. Holley. According to Staff, the extension into the Gold Coast area will provide service to approximately 31 potential residential and commercial customers, and will include an extension of approximately 400 linear feet to serve one residence and a small engine repair shop through the previously constructed facilities in the Brooklin community. The project to extend service to the Gold Coast area has been designated as Phase I-A. The project will be constructed under one contract and will consist of, but not be limited to, approximately 5,056 linear feet of 8-inch PVC, 18 linear feet of 8-inch DIP, 112 linear feet of 6-inch PVC and 106 linear feet of 6-inch DIP gravity sewer main; 24 manholes; approximately 3,677 linear feet of 6-inch PVC and 2,379 linear feet of 4-inch DIP sewer force main; one 75 GPM sewer lift station; one 180 GPM sewer lift station; approximately 40 linear feet of 6-inch and 470 linear feet of 4-inch PVC service lateral; and all related appurtenances and earth work. The total project cost is estimated to be $1,662,000, with a construction cost of $1,261,402.

The project engineer has estimated that annual operation and maintenance expenses are expected to increase by $6,040 as a result of the project. Technical Staff has reviewed the project cost and the change in operation and maintenance expenses and finds them to be reasonable. Staff noted that the City of Hinton has not filed a letter from the DEP stating that the plans and specifications have been approved. Therefore, approval of the project should be contingent upon the filing of that letter. The City previously was issued Modification No. 3 to its NPDES Permit No. WV0024732 on May 30, 2003.

Technical Staff noted that, using the 31 potential customers reported in the engineering report, the cost per customer for this project is approximately $52,323, which Staff finds to be extremely high for a sewer project. The number of customers per mile is approximately 14.42, which Technical Staff believes to be quite low for a sewer project. The engineering fees for the project represent approximately 11.17% of the construction cost and approximately 9.33% of the project cost, which Technical Staff deems to be reasonable.

The areas included in the project have a history of wastewater-related problems, ranging from surfacing wastewater from failed septic tanks to suspected direct discharge into area streams and the New River. Technical Staff believes that the project is necessary because it will eliminate the discharge of untreated sewage into nearby streams and the New River. Technical Staff's review of the plans and specifications indicated that the project is in general conformance with the Commission's rules and regulations. Additionally, the proposed project will allow the City to handle flows from future growth within its service area.

The Financial Staff review noted that, because of a deficit at per books, the City passed an ordinance increasing its rates by 10.1% to all customers. That ordinance has been reviewed by the Commission's Legal Division and a letter noting the City's compliance with the Commission's rules was sent to the City on August 5, 2009. The City is not anticipating an additional rate increase as a result of this project. The City is anticipating approximately 20 new residential and commercial customers, with the potential for 31 total customers, to be served by the project. The prospective customers are expected to generate an additional $29,000 in annual operating revenue and provide a remaining cash surplus at pro forma of $22,767, with a debt service coverage of 134.45%. Financial Staff believes that the project is financially feasible and should be approved.

In summary, Staff recommended that the City's petition to reopen this case to revise the scope of the project to include the Gold Coast area be granted, contingent upon the City filing a letter from the DEP that the plans and specifications have been approved; that the financing, consisting of economic stimulus funds, be approved; and that several other conditions be approved with respect to the project.

By letter dated August 7, 2009, the City was served with a copy of the Staff recommendation, and the letter granted the City ten (10) days in which to file a response thereto. However, since the decision due date for this proceeding is August 13, 2009, a decision must be issued prior to the expiration of the 10-day response period provided by the Executive Secretary's letter of August 7, 2009. If the City has any issues with the Staff recommendation or the Recommended Decision, it will need to address them through the filing of exceptions to this Recommended Decision.

DISCUSSION

The Project at issue herein, in and of itself, is not remarkable and appears to be well-justified. There is more than ample proof of need to support the conclusion that the public convenience and necessity require the Project and that the Project appears to be economically and financially viable, based upon the proposed ARRA funding and the City's recently enacted revised sewer rates and charges.

While this project is not one of the SCN applications created by the Public Service Commission in General Order No. 182.09, issued on April 16, 2009, since the proposed funding is ARRA funding, a discussion of the ARRA process is appropriate. In General Order No. 182.09, the Commission

discussed the process to be followed for water and sewer certificate projects that are to be funded with stimulus funds under the ARRA.[2] The Commission noted that the State Bureau for Public Health will have approximately 19.5 million dollars in federal stimulus funds for water projects, while the DEP will have approximately 61 million dollars for sewer projects. That Order also noted that those projects have to be bid by August 2009 and the contracts awarded by October 2009. The economic stimulus projects are made more complicated by the fact that the funding agencies overseeing the distribution of economic stimulus funds will not be finally awarding those funds through a traditional commitment letter until approximately August or September of 2009. Economic stimulus money is awarded on a "first come, first served" basis and there is no guarantee that any project which received a letter from either DEP or the Bureau for Public Health, indicating that a project was eligible for certain level of ARRA funding, will actually receive the originally specified level of ARRA funding, or any ARRA funding at all.

In General Order No. 182.09, the Commission determined that, for already certificated municipal water or sewer projects whose funding packages will change due to the award of ARRA funds, a municipality need not petition the Commission to reopen the certificate proceeding for approval of that revised financing, but, instead, can simply file a letter with the Commission, as a closed entry, detailing the new financing package, with no further Commission action.

Traditionally, orders granting certificates of convenience and necessity to municipally-operated public utilities have specifically approved the funding package proposed for the municipal water or sewer project and have required that the municipally-operated public utility file a petition to reopen the proceeding to obtain Commission approval of any changes to project financing only in the event that project costs change and rates are affected, either requiring increases or decreases. That process is being retained in large part for municipal projects using ARRA funds, since that process provides a reasonable, and streamlined, means of addressing the timing problems associated with ARRA projects, i.e., the financing will not be finally committed until sometime in August or September of 2009 and contracts must be awarded on or before October 1, 2009. The biggest difference is the approval of project financing that has not been committed. To further accommodate the timing constraints of ARRA, essentially, the determination is being made in advance that any funding package that includes ARRA funds is reasonable, so that changes to an ARRA funding package do not require additional review, unless rates have to be increased.

Despite the ARRA constraints, the Public Service Commission has an obligation with regard to any certificate application, whether it is filed by a private utility, a public service district or a municipality, to insure that the project is economically feasible and financially viable, which includes guaranteeing that there is adequate financing to

---

[2]While the availability of ARRA funding has generated a flurry of SCN and regular certificate filings with accelerated timelines, there has been no statutory change in the West Virginia Code to accommodate the ARRA funding. For the purposes of W. Va. Code § 24-2-11, ARRA funding is no different from any other funding.

fund the proposed project. See, Town of Man and Man Water Works, Inc., Case No. 81-433-W-PC, Order Affirming Hearing Examiner's Decision, April 16, 1982, 69 ARPSCWV 1893; Ohio County Public Service District, Case No. 82-482-S-CN, Order Affirming Hearing Examiner's Decision Without Prejudice, April 8, 1983, 70 ARPSCWV 2049. See also, Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914, (1992). Accordingly, the City must reopen this proceeding for Commission review and approval of project changes which generate rate changes, with the clarification that this requirement will apply only to rate increases. Further, it is reasonable to include an ordering paragraph prohibiting the municipally-operated public utility from commencing construction, unless it has secured adequate funding to cover all project costs, as those costs have been determined upon the conclusion of the bidding process and after bids have been awarded for all of the construction contracts associated with the project, and to file that information with the Commission. The City will be required to file with the Commission a letter detailing the final funding package for this project upon that information being known, along with the bid tabulations for each construction contract to be awarded for the project. Those filings should be made as closed entries and should not be treated as petitions to reopen.

In the event that, after the filing of the letter by the municipally-operated public utility providing the details of the finalized funding package for the certificated project, Commission Staff concludes, based upon its own independent analysis, that either the specified funding package or the municipal rates are insufficient to cover all project costs, it will be the obligation of Commission Staff to petition the Public Service Commission to reopen the municipal certificate proceeding for the purpose of reviewing the financial viability of the certificated project.

As with all certificate applications filed with the Commission, in the event that the project scope changes, or changes in project cost and/or financing require a further rate increase, or if the City ultimately receives no ARRA funding, the City will be required to file a petition to reopen this matter, to allow the Commission to assess the nature of the project changes, both to determine if they are adequately funded and to determine if those changes are appropriate and not in conflict with any state laws or Commission rules, and to insure that funding package and associated rates support the economic feasibility and financial viability of the project.

FINDINGS OF FACT

1. On May 14, 2009, the City of Hinton Sanitary Board filed a motion to reopen this proceeding to amend its previously granted certificate of public convenience and necessity to add a project designated as Phase I-A, to extend its sewage collection system to serve the Gold Coast area, which had been dropped from the original project due to bids coming in much higher than the available funding. Due to the availability of economic stimulus funds, it was now possible to extend service to that area. (See, Petition to Reopen filed May 14, 2009; Final Joint Staff Memorandum and attachment filed August 7, 2009).

2. The City has received a letter from the West Virginia Department of Environmental Protection, informing it that the Project is eligible to be considered for an award of economic stimulus funds, under The American Recovery and Reinvestment Act of 2009, with said funding to be in the form of a $1,662,000 loan, with 100% debt forgiveness and no annual administrative fee. (See, DEP letter dated June 8, 2009, filed June 18, 2009).

3. The Project will not require an additional rate increase. In May of 2009 the City enacted a 10.1% increase to become effective after July 3, 2009. Based upon these rates, after project completion, the City should experience a cash flow surplus of $22,767, with debt service coverage of 134.45%. (See, Final Joint Staff Memorandum and attachment filed August 7, 2009).

4. Commission Technical Staff has reviewed the original plans and specifications for the Project and has concluded that there are no conflicts with the Commission's Sewer Rules concerning engineering requirements. (See, Final Joint Staff Memorandum and attachment filed August 7, 2009).

5. The area to be served by this project suffers from surfacing wastewater from failed septic tanks and direct discharge of raw sewage into area streams and the New River. The project also will allow the City to handle flows from future growth in its service area. (See, Final Joint Staff Memorandum and attachment filed August 7, 2009).

6. After concluding its review, Commission Staff recommended that a certificate of convenience and necessity be granted to the City of Hinton Sanitary Board, that the proposed ARRA financing be approved and that various other conditions with regard to certification of the project be adopted. (See, Final Joint Staff Memorandum and attachment filed August 7, 2009).

CONCLUSIONS OF LAW

1. The Public Service Commission is empowered to require all public utilities, including municipally-operated public utilities, to demonstrate that a proposed water or sewer project is economically feasible and financially viable by demonstrating that they have secured adequate funding to cover all project costs, as those project costs are determined to be at the conclusion of the bidding process, and that the resulting rates are just, reasonable, applied without unjust discrimination or preference and based primarily on the cost of providing service. See, W. Va. Code §24-2-4b; State ex. rel. Public Service Commission v. Town of Fayetteville, 212 W. Va. 427, 573 S.E.2d 338 (2002); Town of Man and Man Water Works, Inc., Case No. 81-433-W-PC, Order Affirming Hearing Examiner's Decision, April 16, 1982, 69 ARPSCWV 1893; Ohio County Public Service Commission, Case No. 82-482-S-CN, Order Affirming Hearing Examiner's Decision Without Prejudice, April 8, 1983, 70 ARPSCWV 2049. See also, Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914, (1992).

2. In order to accommodate the unique timing issues involving the economic stimulus funds provided under The American Recovery and

Reinvestment Act of 2009, and recognizing that these funds are available for a short period on a one-time only basis, it is reasonable to modify some of the Commission's traditional requirements regarding certificate applications, as set forth in the ordering paragraphs of this decision.

3. The public convenience and necessity require the proposed project.

4. The rates and charges enacted by the City of Hinton appear to be sufficient to cover all project-related costs, as well as the City's going-level operation and maintenance expenses.

5. The proposed funding package for the project, consisting of the DEP loan of ARRA funds in the amount of $1,662,000, with 100% debt forgiveness and no annual administrative fee, is reasonable and is sufficient to cover the cost of the project, at its current cost estimates.

6. Because ARRA funds represent an additional one-time infusion of capital for West Virginia water and sewer projects, with extremely favorable terms, it is reasonable to conclude that any funding package which includes ARRA funds is convenient to the public, without further review, as long as rates do not have to be increased to support funding revisions made after a certificate is granted.

7. A certificate of convenience and necessity should be granted to the City of Hinton Sanitary Board for the project specified herein, without specifically approving the project's plans and specifications.

ORDER

IT IS, THEREFORE, ORDERED that the petition to reopen this proceeding filed by the City of Hinton Sanitary Board on May 14, 2009, to amend its previously granted certificate of convenience and necessity to extend sewer service to the Gold Coast area in Summers and Raleigh Counties, all as more particularly described in the plans and specifications filed with the application, at a total cost of approximately $1,662,000, be, and it hereby is, granted, without specifically approving the plans and specifications filed herein.

IT IS FURTHER ORDERED that the proposed project financing package, consisting of a loan in the amount of $1,662,000 from the Department of Environmental Protection, with 100% debt forgiveness and no annual administrative fee, using funds provided by The American Recovery and Reinvestment Act of 2009, be, and it hereby is, approved. Upon finalization of the funding package, the City of Hinton Sanitary Board shall file a letter with the Commission detailing the specifics of that funding package, including the terms and conditions of any loans awarded. If the funding package is revised, but still includes ARRA funds, the City is not required to petition the Commission for approval of that revised project financing, as long as the revised ARRA funding package does not require an additional rate increase. It will be sufficient for the City to file the revised funding commitment documentation, along with a certification from its certified public accountant or bond counsel that

the revised funding package is adequate to cover all project costs and will not require any additional rate increase.

IT IS FURTHER ORDERED that, if the project scope changes, if project costs or financing require a further rate increase beyond any reviewed in this application, or if, ultimately, the City of Hinton Sanitary Board does not receive any ARRA funding, the City of Hinton Sanitary Board petition the Commission for approval of such change(s) prior to commencing construction.

IT IS FURTHER ORDERED that the City of Hinton Sanitary Board cannot proceed to construction unless and until it has received DEP approval of the project's plans and specifications, all required federal, state and local permits, and unless the finally-awarded ARRA funding package is adequate to cover all project costs, as determined at the conclusion of the bidding process with a bid awarded for each construction contract or vendor contract for the project.

IT IS FURTHER ORDERED that the City of Hinton Sanitary Board provide a copy of the engineer's certified tabulation of bids, within ten (10) days of the bid opening date, for each construction contract or vendor contract to be awarded for this project.

IT IS FURTHER ORDERED that the City of Hinton Sanitary Board provide a copy of the certification of substantial completion for each contract associated with this project, within ten (10) days of issuance.

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

IT IS FURTHER ORDERED that this matter be 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.

Melissa K. Marland
Chief Administrative Law Judge

MKM:cdk
030900aa.wpd

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

CITY OF HINTON SANITARY BOARD

Case No.: 03-0900-S-CN

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, TO-WIT:

AFFIDAVIT

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This Affidavit is executed on the 17th day of November, 2009.

Griffith & Associates, PLLC

Taken, subscribed and sworn to before me this 17th day of November, 2009.

My commission expires April 26, 2014.

Dreama Kingrey
Notary Public

[SEAL]

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DREAMA KINGREY
GRIFFITH & ASSOCIATES
950 LITTLE COAL RIVER ROAD
ALUM CREEK, WV 25003
My commission expires April 26, 2014

Michael D. Griffith, CPA, AFI
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950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

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November 18, 2009

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Sandra Squire, *Executive Secretary*
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201 Brooks Street
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Re: Case No.: 03-0900-S-CN
CITY OF HINTON SANITARY BOARD
GOLD COAST PROJECT

Dear Ms. Squire:

Enclosed herein for filing on behalf of the City of Hinton, please find an affidavit by the City's certified public accountant.

Please file the enclosed affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, I ask that you date stamp the file copy provided and return it with our messenger. Thank you in advance for your attention to this matter, and should you have any questions please contact me at (304) 353-8196.

Best Regards,

John C. Stump
(W. V. State Bar No. 6385)

Enclosures
cc: David L. Ziegler, Esquire (w/o enclosures)
Michael Griffith, CPA (w/o enclosures)

414550.00004

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

CITY OF HINTON SANITARY BOARD

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Notary Public

[SEAL]

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NOTARY PUBLIC
STATE OF WEST VIRGINIA
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My commission expires April 26, 2014

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

9/2/2009

Entered: August 13, 2009

CASE NO. 03-0900-S-CN

CITY OF HINTON SANITARY BOARD,
a municipal utility, Hinton, Summers County.
Application for a certificate of convenience and necessity to construct a sewage collection system at Route 20 across the New River from Hinton and in the Village of Brooklin, lying in both Summers and Raleigh Counties.

RECOMMENDED DECISION

On June 12, 2003, the City of Hinton Sanitary Board (City) filed an application for a certificate of convenience and necessity to construct certain additions and improvements to its sewage collection system in Summers and Raleigh Counties. The proposed project would consist of the construction of a collection system to serve approximately sixty-six residential and commercial customers (88 equivalent residential customers) in the Gold Coast and Brooklin areas.[1] The proposed project would consist of approximately 9,000 linear feet of 8-inch gravity sewers; approximately 9,000 linear feet of 6 and 4-inch force mains; three pumping stations; and all related appurtenances and earth work. The City of Hinton estimated that the proposed construction would cost approximately $1,695,000, with the costs being financed by a West Virginia Department of Environmental Protection (WVDEP) grant in the amount of $920,000, and a WVDEP State Revolving Fund (SRF) loan in the amount of $775,000. The City of Hinton requested no change in its existing rates due to the proposed project.

[1]The petition also included an alternate project for just the Gold Coast area to allow for the situation of construction bids coming in higher than the estimated costs. The alternate eliminated the Madams Pump Station and the collection system for the Brooklin Community. The alternate project would serve approximately forty-seven equivalent residential customers. If the need for the use of the alternate project materialized, the City of Hinton will have to request from the Commission a reopening of the certificate case for appropriate adjustments and approval. At that time, Commission Staff would review the submitted alternate project information for approval.

By Recommended Decision issued on September 24, 2003, the application for a certificate of convenience and necessity filed by the City to construct a sewage collection system to serve approximately 66 residential and commercial customers in the Gold Coast and Brooklin areas of Summers and Raleigh Counties, West Virginia, for a total project cost not to exceed $1,695,000 was granted. The specified funding consisting of a grant and a loan form the West Virginia Department of Environmental Protection was also approved. The Recommended Decision of September 24, 2003, became a Final Order of the Commission on October 14, 2003, by virtue of no exceptions being filed to the Decision.

On January 23, 2004, the City filed a petition to reopen this proceeding to change the scope and financing for the project. The bids substantially exceeded the available funding and, as a result, the City sought to delete the Gold Coast portion of the project. The deletion of the Gold Coast portion of the project would allow the City to proceed with the previously approved grant and loan funding.

By Commission Order entered on March 26, 2004, the City's petition was granted and the scope of the project was revised so that it would provide sewer service to approximately 40 residential customers in the village of Brooklin. Revised funding was also approved.

On May 14, 2009, the City filed a second motion to reopen this matter, stating that new funding sources had become available and the City now would like to extend the collection system to the Gold Coast area which was dropped from the original project in 2004. The motion stated that the City had a sewer rate increase municipal ordinance in process and it was anticipated that the proposed Gold Coast project would not require a rate increase beyond the one now in progress.

On May 21, 2009, the City filed a Rule 42 exhibit for the Gold Coast project, based on the fiscal year ended June 30, 2008, and current and planning information. Along with the Rule 42 exhibit, the City filed two copies of the engineering plans and specifications for the project. On June 4, 2009, the City filed additional copies of the Rule 42 exhibit.

On June 10, 2009, Staff Attorney Cassius H. Toon filed the Initial Joint Staff Memorandum in this proceeding, attached to which was the Initial Staff Internal Memorandum prepared by Utilities Analyst Troy Eggleton of the Water and Wastewater Division and Technical Analyst Associate David W. Holley of the Engineering Division . Staff's information was that the funding for the proposed project would be stimulus money. Staff believes that the municipal rates that are the subject of the current municipal ordinance for the City will be sufficient to fund the project. The ordinance was adopted on May 19, 2009, and will be effective for service rendered after July 3, 2009. The ordinance was submitted for review on May 28, 2009. Staff indicated that the 30-day period for filing a municipal appeal had not expired. Staff requested seven specific items of information which it required in order to make a final recommendation in this proceeding.

On June 18, 2009, the City submitted two copies of a facilities plan amendment to the Gold Coast system extension dated May 26, 2009, which responded to four of the Staff's seven requests. With regard to Staff's fifth requested item, the City indicated that revised drawings and

specifications were submitted to the DEP on May 15, 2009, and a representative of DEP had advised the project engineer that DEP would approve the project within the next one to two weeks. With regard to Staff's sixth requested item, the City indicated that it thought it could advertise the project for construction immediately upon receiving approval from the Commission and the DEP. Finally, the City submitted a letter, from the DEP, dated June 8, 2009, informing the City that it appeared to be eligible to be considered for a loan of $1,662,000 using funds provided by The American Recovery and Reinvestment Act of 2009 (ARRA) with 100% debt forgiveness and no annual administrative fee.

By Commission Order entered on June 24, 2009, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before August 13, 2009.

On July 30, 2009, the City filed an unaudited 2009 cash flow statement.

On August 7, 2009, Staff Attorney Toon filed the Final Joint Staff Memorandum in this proceeding, attached to which was the Final Staff Internal Memorandum prepared by Mr. Eggleton and Mr. Holley. According to Staff, the extension into the Gold Coast area will provide service to approximately 31 potential residential and commercial customers, and will include an extension of approximately 400 linear feet to serve one residence and a small engine repair shop through the previously constructed facilities in the Brooklin community. The project to extend service to the Gold Coast area has been designated as Phase I-A. The project will be constructed under one contract and will consist of, but not be limited to, approximately 5,056 linear feet of 8-inch PVC, 18 linear feet of 8-inch DIP, 112 linear feet of 6-inch PVC and 106 linear feet of 6-inch DIP gravity sewer main; 24 manholes; approximately 3,677 linear feet of 6-inch PVC and 2,379 linear feet of 4-inch DIP sewer force main; one 75 GPM sewer lift station; one 180 GPM sewer lift station; approximately 40 linear feet of 6-inch and 470 linear feet of 4-inch PVC service lateral; and all related appurtenances and earth work. The total project cost is estimated to be $1,662,000, with a construction cost of $1,261,402.

The project engineer has estimated that annual operation and maintenance expenses are expected to increase by $6,040 as a result of the project. Technical Staff has reviewed the project cost and the change in operation and maintenance expenses and finds them to be reasonable. Staff noted that the City of Hinton has not filed a letter from the DEP stating that the plans and specifications have been approved. Therefore, approval of the project should be contingent upon the filing of that letter. The City previously was issued Modification No. 3 to its NPDES Permit No. WV0024732 on May 30, 2003.

Technical Staff noted that, using the 31 potential customers reported in the engineering report, the cost per customer for this project is approximately $52,323, which Staff finds to be extremely high for a sewer project. The number of customers per mile is approximately 14.42, which Technical Staff believes to be quite low for a sewer project. The engineering fees for the project represent approximately 11.17% of the construction cost and approximately 9.33% of the project cost, which Technical Staff deems to be reasonable.

The areas included in the project have a history of wastewater-related problems, ranging from surfacing wastewater from failed septic tanks to suspected direct discharge into area streams and the New River. Technical Staff believes that the project is necessary because it will eliminate the discharge of untreated sewage into nearby streams and the New River. Technical Staff's review of the plans and specifications indicated that the project is in general conformance with the Commission's rules and regulations. Additionally, the proposed project will allow the City to handle flows from future growth within its service area.

The Financial Staff review noted that, because of a deficit at per books, the City passed an ordinance increasing its rates by 10.1% to all customers. That ordinance has been reviewed by the Commission's Legal Division and a letter noting the City's compliance with the Commission's rules was sent to the City on August 5, 2009. The City is not anticipating an additional rate increase as a result of this project. The City is anticipating approximately 20 new residential and commercial customers, with the potential for 31 total customers, to be served by the project. The prospective customers are expected to generate an additional $29,000 in annual operating revenue and provide a remaining cash surplus at pro forma of $22,767, with a debt service coverage of 134.45%. Financial Staff believes that the project is financially feasible and should be approved.

In summary, Staff recommended that the City's petition to reopen this case to revise the scope of the project to include the Gold Coast area be granted, contingent upon the City filing a letter from the DEP that the plans and specifications have been approved; that the financing, consisting of economic stimulus funds, be approved; and that several other conditions be approved with respect to the project.

By letter dated August 7, 2009, the City was served with a copy of the Staff recommendation, and the letter granted the City ten (10) days in which to file a response thereto. However, since the decision due date for this proceeding is August 13, 2009, a decision must be issued prior to the expiration of the 10-day response period provided by the Executive Secretary's letter of August 7, 2009. If the City has any issues with the Staff recommendation or the Recommended Decision, it will need to address them through the filing of exceptions to this Recommended Decision.

DISCUSSION

The Project at issue herein, in and of itself, is not remarkable and appears to be well-justified. There is more than ample proof of need to support the conclusion that the public convenience and necessity require the Project and that the Project appears to be economically and financially viable, based upon the proposed ARRA funding and the City's recently enacted revised sewer rates and charges.

While this project is not one of the SCN applications created by the Public Service Commission in General Order No. 182.09, issued on April 16, 2009, since the proposed funding is ARRA funding, a discussion of the ARRA process is appropriate. In General Order No. 182.09, the Commission

discussed the process to be followed for water and sewer certificate projects that are to be funded with stimulus funds under the ARRA.[2] The Commission noted that the State Bureau for Public Health will have approximately 19.5 million dollars in federal stimulus funds for water projects, while the DEP will have approximately 61 million dollars for sewer projects. That Order also noted that those projects have to be bid by August 2009 and the contracts awarded by October 2009. The economic stimulus projects are made more complicated by the fact that the funding agencies overseeing the distribution of economic stimulus funds will not be finally awarding those funds through a traditional commitment letter until approximately August or September of 2009. Economic stimulus money is awarded on a "first come, first served" basis and there is no guarantee that any project which received a letter from either DEP or the Bureau for Public Health, indicating that a project was eligible for certain level of ARRA funding, will actually receive the originally specified level of ARRA funding, or any ARRA funding at all.

In General Order No. 182.09, the Commission determined that, for already certificated municipal water or sewer projects whose funding packages will change due to the award of ARRA funds, a municipality need not petition the Commission to reopen the certificate proceeding for approval of that revised financing, but, instead, can simply file a letter with the Commission, as a closed entry, detailing the new financing package, with no further Commission action.

Traditionally, orders granting certificates of convenience and necessity to municipally-operated public utilities have specifically approved the funding package proposed for the municipal water or sewer project and have required that the municipally-operated public utility file a petition to reopen the proceeding to obtain Commission approval of any changes to project financing only in the event that project costs change and rates are affected, either requiring increases or decreases. That process is being retained in large part for municipal projects using ARRA funds, since that process provides a reasonable, and streamlined, means of addressing the timing problems associated with ARRA projects, i.e., the financing will not be finally committed until sometime in August or September of 2009 and contracts must be awarded on or before October 1, 2009. The biggest difference is the approval of project financing that has not been committed. To further accommodate the timing constraints of ARRA, essentially, the determination is being made in advance that any funding package that includes ARRA funds is reasonable, so that changes to an ARRA funding package do not require additional review, unless rates have to be increased.

Despite the ARRA constraints, the Public Service Commission has an obligation with regard to any certificate application, whether it is filed by a private utility, a public service district or a municipality, to insure that the project is economically feasible and financially viable, which includes guaranteeing that there is adequate financing to

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[2]While the availability of ARRA funding has generated a flurry of SCN and regular certificate filings with accelerated timelines, there has been no statutory change in the West Virginia Code to accommodate the ARRA funding. For the purposes of W. Va. Code § 24-2-11, ARRA funding is no different from any other funding.

fund the proposed project. See, Town of Man and Man Water Works, Inc., Case No. 81-433-W-PC, Order Affirming Hearing Examiner's Decision, April 16, 1982, 69 ARPSCWV 1893; Ohio County Public Service District, Case No. 82-482-S-CN, Order Affirming Hearing Examiner's Decision Without Prejudice, April 8, 1983, 70 ARPSCWV 2049. See also, Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914, (1992). Accordingly, the City must reopen this proceeding for Commission review and approval of project changes which generate rate changes, with the clarification that this requirement will apply only to rate increases. Further, it is reasonable to include an ordering paragraph prohibiting the municipally-operated public utility from commencing construction, unless it has secured adequate funding to cover all project costs, as those costs have been determined upon the conclusion of the bidding process and after bids have been awarded for all of the construction contracts associated with the project, and to file that information with the Commission. The City will be required to file with the Commission a letter detailing the final funding package for this project upon that information being known, along with the bid tabulations for each construction contract to be awarded for the project. Those filings should be made as closed entries and should not be treated as petitions to reopen.

In the event that, after the filing of the letter by the municipally-operated public utility providing the details of the finalized funding package for the certificated project, Commission Staff concludes, based upon its own independent analysis, that either the specified funding package or the municipal rates are insufficient to cover all project costs, it will be the obligation of Commission Staff to petition the Public Service Commission to reopen the municipal certificate proceeding for the purpose of reviewing the financial viability of the certificated project.

As with all certificate applications filed with the Commission, in the event that the project scope changes, or changes in project cost and/or financing require a further rate increase, or if the City ultimately receives no ARRA funding, the City will be required to file a petition to reopen this matter, to allow the Commission to assess the nature of the project changes, both to determine if they are adequately funded and to determine if those changes are appropriate and not in conflict with any state laws or Commission rules, and to insure that funding package and associated rates support the economic feasibility and financial viability of the project.

FINDINGS OF FACT

1. On May 14, 2009, the City of Hinton Sanitary Board filed a motion to reopen this proceeding to amend its previously granted certificate of public convenience and necessity to add a project designated as Phase I-A, to extend its sewage collection system to serve the Gold Coast area, which had been dropped from the original project due to bids coming in much higher than the available funding. Due to the availability of economic stimulus funds, it was now possible to extend service to that area. (See, Petition to Reopen filed May 14, 2009; Final Joint Staff Memorandum and attachment filed August 7, 2009).

2. The City has received a letter from the West Virginia Department of Environmental Protection, informing it that the Project is eligible to be considered for an award of economic stimulus funds, under The American Recovery and Reinvestment Act of 2009, with said funding to be in the form of a $1,662,000 loan, with 100% debt forgiveness and no annual administrative fee. (See, DEP letter dated June 8, 2009, filed June 18, 2009).

3. The Project will not require an additional rate increase. In May of 2009 the City enacted a 10.1% increase to become effective after July 3, 2009. Based upon these rates, after project completion, the City should experience a cash flow surplus of $22,767, with debt service coverage of 134.45%. (See, Final Joint Staff Memorandum and attachment filed August 7, 2009).

4. Commission Technical Staff has reviewed the original plans and specifications for the Project and has concluded that there are no conflicts with the Commission's Sewer Rules concerning engineering requirements. (See, Final Joint Staff Memorandum and attachment filed August 7, 2009).

5. The area to be served by this project suffers from surfacing wastewater from failed septic tanks and direct discharge of raw sewage into area streams and the New River. The project also will allow the City to handle flows from future growth in its service area. (See, Final Joint Staff Memorandum and attachment filed August 7, 2009).

6. After concluding its review, Commission Staff recommended that a certificate of convenience and necessity be granted to the City of Hinton Sanitary Board, that the proposed ARRA financing be approved and that various other conditions with regard to certification of the project be adopted. (See, Final Joint Staff Memorandum and attachment filed August 7, 2009).

CONCLUSIONS OF LAW

1. The Public Service Commission is empowered to require all public utilities, including municipally-operated public utilities, to demonstrate that a proposed water or sewer project is economically feasible and financially viable by demonstrating that they have secured adequate funding to cover all project costs, as those project costs are determined to be at the conclusion of the bidding process, and that the resulting rates are just, reasonable, applied without unjust discrimination or preference and based primarily on the cost of providing service. See, W. Va. Code §24-2-4b; State ex. rel. Public Service Commission v. Town of Fayetteville, 212 W. Va. 427, 573 S.E.2d 338 (2002); Town of Man and Man Water Works, Inc., Case No. 81-433-W-PC, Order Affirming Hearing Examiner's Decision, April 16, 1982, 69 ARPSCWV 1893; Ohio County Public Service Commission, Case No. 82-482-S-CN, Order Affirming Hearing Examiner's Decision Without Prejudice, April 8, 1983, 70 ARPSCWV 2049. See also, Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914, (1992).

2. In order to accommodate the unique timing issues involving the economic stimulus funds provided under The American Recovery and

Reinvestment Act of 2009, and recognizing that these funds are available for a short period on a one-time only basis, it is reasonable to modify some of the Commission's traditional requirements regarding certificate applications, as set forth in the ordering paragraphs of this decision.

3. The public convenience and necessity require the proposed project.

4. The rates and charges enacted by the City of Hinton appear to be sufficient to cover all project-related costs, as well as the City's going-level operation and maintenance expenses.

5. The proposed funding package for the project, consisting of the DEP loan of ARRA funds in the amount of $1,662,000, with 100% debt forgiveness and no annual administrative fee, is reasonable and is sufficient to cover the cost of the project, at its current cost estimates.

6. Because ARRA funds represent an additional one-time infusion of capital for West Virginia water and sewer projects, with extremely favorable terms, it is reasonable to conclude that any funding package which includes ARRA funds is convenient to the public, without further review, as long as rates do not have to be increased to support funding revisions made after a certificate is granted.

7. A certificate of convenience and necessity should be granted to the City of Hinton Sanitary Board for the project specified herein, without specifically approving the project's plans and specifications.

ORDER

IT IS, THEREFORE, ORDERED that the petition to reopen this proceeding filed by the City of Hinton Sanitary Board on May 14, 2009, to amend its previously granted certificate of convenience and necessity to extend sewer service to the Gold Coast area in Summers and Raleigh Counties, all as more particularly described in the plans and specifications filed with the application, at a total cost of approximately $1,662,000, be, and it hereby is, granted, without specifically approving the plans and specifications filed herein.

IT IS FURTHER ORDERED that the proposed project financing package, consisting of a loan in the amount of $1,662,000 from the Department of Environmental Protection, with 100% debt forgiveness and no annual administrative fee, using funds provided by The American Recovery and Reinvestment Act of 2009, be, and it hereby is, approved. Upon finalization of the funding package, the City of Hinton Sanitary Board shall file a letter with the Commission detailing the specifics of that funding package, including the terms and conditions of any loans awarded. If the funding package is revised, but still includes ARRA funds, the City is not required to petition the Commission for approval of that revised project financing, as long as the revised ARRA funding package does not require an additional rate increase. It will be sufficient for the City to file the revised funding commitment documentation, along with a certification from its certified public accountant or bond counsel that

the revised funding package is adequate to cover all project costs and will not require any additional rate increase.

IT IS FURTHER ORDERED that, if the project scope changes, if project costs or financing require a further rate increase beyond any reviewed in this application, or if, ultimately, the City of Hinton Sanitary Board does not receive any ARRA funding, the City of Hinton Sanitary Board petition the Commission for approval of such change(s) prior to commencing construction.

IT IS FURTHER ORDERED that the City of Hinton Sanitary Board cannot proceed to construction unless and until it has received DEP approval of the project's plans and specifications, all required federal, state and local permits, and unless the finally-awarded ARRA funding package is adequate to cover all project costs, as determined at the conclusion of the bidding process with a bid awarded for each construction contract or vendor contract for the project.

IT IS FURTHER ORDERED that the City of Hinton Sanitary Board provide a copy of the engineer's certified tabulation of bids, within ten (10) days of the bid opening date, for each construction contract or vendor contract to be awarded for this project.

IT IS FURTHER ORDERED that the City of Hinton Sanitary Board provide a copy of the certification of substantial completion for each contract associated with this project, within ten (10) days of issuance.

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

IT IS FURTHER ORDERED that this matter be 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.

Melissa K. Marland
Chief Administrative Law Judge

MKM:cdk
030900aa.wpd

WEST VIRGINIA
Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

Kenneth Lowe, Jr.
Public Member

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Angela K. Chestnut, P.E.
Executive Director

Barbara J. Pauley
Administrative Secretary

October 13, 2009

The Honorable Joseph M. Blankenship
Mayor, City of Hinton
P.O. Box 477
Hinton, WV 25951

Re: City of Hinton (Gold Coast)
2009S-1140 Soft Cost Binding Commitment
(Action Required October 31, 2009)

Dear Mayor Blankenship:

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council), at its October 7, 2009 meeting, voted to offer a binding commitment for a $108,646 Infrastructure Fund grant (Grant) to the City of Hinton (City) for soft costs to complete the funding for this $1,770,646 project (Project). The Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Grant amount will be established after the City has received acceptable bids for the Project.

Please contact Angela K. Chestnut at 304-558-4607 if you have any questions.

Sincerely,

Kenneth Lowe, Jr.

KL:bjp

Attachment

cc: Mike Johnson *(via e-mail)*
Dean Upton, P.E., Stafford Consultants, Inc. *(via e-mail)*
David N. Cole, Executive Director, Region I-P&DC *(via e-mail)*
Samme Gee, Esq., Jackson Kelly *(via e-mail)*

NOTE: This letter is sent in triplicate. Please acknowledge receipt and immediately return two copies to the Infrastructure Council.

City of Hinton

By: _____

Its: MAYOR

Date: 10-26-09

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

City of Hinton
Sewer Project 2009S-1140

SCHEDULE A

A. Approximate Amount: $108,646 Soft Cost Grant

B. Grant: $108,646

1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition.

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

C. Special Conditions: The funding package may be reduced prior to closing if an additional grant source is procured.

D. Other Funding:
CWSRF ARRA $1,662,000

E. Total Project Cost: $1,770,646

F. Proposed User Rates: Approximately $30.60 / 4000 gallons

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

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REGION I PDC

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

April 10, 2006

The Honorable Cleo Mathews
Mayor, City of Hinton
P.O. Box 477
Hinton, West Virginia 25951

Re: City of Hinton
Sewer Project 2001S-634b

Dear Mayor Mathews:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the City of Hinton's (the "City") revised preliminary application regarding its proposed project to construct a sewer system along State Route 20/3 between the intersection at Three Rivers store and the State Police Barracks below Bluestone Dam, Gold Coast extension completion (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 revised preliminary application, the Council recommends that the City pursue a $760,000 Clean Water State Revolving Fund loan and/or Rural Utilities Service loan and a $760,000 Rural Utility Service grant to fund this $1,520,000 project. Please contact the WV Department of Environmental Protection office at (304) 926-0495 and the Rural Utility Service at (304) 252-8644 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.**

The Council also determined that, in lieu of a Clean Water State Revolving Fund loan or a Rural Utilities Service loan and grant the City may be eligible for up to a $760,000 Infrastructure Fund loan and up to a $760,000 Infrastructure Fund grant pending the City's readiness to proceed and availability of funds. **This letter is not a commitment letter of Infrastructure Funds.**

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

Sincerely,

Mark Prince

Enclosure
cc: Mike Johnson, P.E., DEP (w/o enclosure)
Joseph Crickenberger, RUS
Region I Planning & Development Council
Dean Upton, P.E., Stafford Consultants

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 2nd day of December, 2009, 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 Hinton (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 2nd day of December, 2009, the Authority received the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, in the principal amount of $1,662,000, numbered BR-1 (the "Series 2009 B Bonds"), issued as a single, fully registered Bond, and dated December 2, 2009.

2. At the time of such receipt, all the Series 2009 B 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 2009 B Bonds, of $83,100, being a portion of the principal amount of the Series 2009 B Bonds. The balance of the principal amount of the Series 2009 B Bonds will be advanced by the Authority and by the DEP to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

THE CITY OF HINTON

By: _____
Its: Mayor

11.05.09
414550.00004

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith on this 2nd day of December, 2009.

(1) Bond No. BR-1, constituting the entire original issue of The City of Hinton Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the principal amount of $1,662,000 (the "Series 2009 B Bonds"), dated December 2, 2009 (the "Series 2009 B Bonds"), executed by the Mayor and the Recorder of The City of Hinton (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 September 15, 2009, and a Supplemental Resolution duly adopted by the Issuer on November 17, 2009 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of an ARRA Assistance Agreement for the Series 2009 B Bonds, dated December 2, 2009 (the "ARRA Assistance 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

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the ARRA Assistance Agreement and the Series 2009 B Bonds.

You are hereby requested and authorized to deliver the Series 2009 B Bonds to the Authority upon payment to the Issuer of the sum of $83,100, representing a portion of the principal amount of the Series 2009 B Bonds. Prior to such delivery of the Series 2009 B Bonds, you will please cause the Series 2009 B Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

THE CITY OF HINTON

By: _____
Its: Mayor

11.05.09
414550.00004

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HINTON
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)

No. BR-1 $1,662,000

KNOW ALL MEN BY THESE PRESENTS: That on the 2nd day of December, 2009, THE CITY OF HINTON, a municipal corporation and political subdivision of the State of West Virginia in Summers 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 SIX HUNDRED SIXTY-TWO THOUSAND DOLLARS ($1,662,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, to and including December 1, 2020 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. This Bond shall not be subject to the SRF Administrative Fee (as defined in the hereinafter describe Bond Legislation).

This Bond shall bear no interest. Principal installments of this Bond are 100% forgivable as set forth in the ARRA Assistance Agreement.

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 ARRA Assistance Agreement (the "ARRA Assistance Agreement") by and among the Issuer, the Authority and the DEP, dated December 2, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 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 September 15, 2009, and a Supplemental Resolution duly adopted by the Issuer on November 17, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1990 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $637,262, (THE "SERIES 1990 A BONDS"), (II) SEWER REVENUE BONDS, SERIES 1990 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $668,000, (THE "SERIES 1990 C BONDS"), (III) SEWER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA SRF PROGRAM), DATED MARCH 30, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $490,000, (THE "SERIES 2004 A BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE, AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S SEWER REVENUE BONDS, SERIES 1990 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $29,738, (THE "SERIES 1990 B BONDS").

THE SERIES 1990 A BONDS, THE SERIES 1990 C BONDS, THE SERIES 2004 A BONDS (COLLECTIVELY THE "FIRST LIEN BONDS") AND THE SERIES 1990 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the First Lien Bonds and the Series 2009 A Bonds, and senior and prior to the Series 1990 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2009 B Bonds (the "Series 2009 B Bonds Reserve Account"), and unexpended proceeds of the Series 2009 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2009 B Bonds Reserve Account and unexpended proceeds of the Series 2009 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2009 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 B Bonds including the Series 2009 A Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2009 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2009 B Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Series 2009 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such

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

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (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 described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond 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 HINTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, has caused this Bond to be dated the day and year first written above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 2, 2009.

THE HUNTINGTON NATIONAL BANK
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$83,100	December 2, 2009	(19)		
(2)			(20)		
(3)			(21)		
(4)			(22)		
(5)			(23)		
(6)			(24)		
(7)			(25)		
(8)			(26)		
(9)			(27)		
(10)			(28)		
(11)			(29)		
(12)			(30)		
(13)			(31)		
(14)			(32)		
(15)			(33)		
(16)			(34)		
(17)			(35)		
(18)			(36)		

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

City of Hinton

10 Years

Dated Date	12/2/2009
Delivery Date	12/2/2009

		Series B
Period Ending	Debt Service	Principal Forgiveness
12/2/2009		
3/1/2011	-41,550	-41,550
6/1/2011	-41,550	-41,550
9/1/2011	-41,550	-41,550
12/1/2011	-41,550	-41,550
3/1/2012	-41,550	-41,550
6/1/2012	-41,550	-41,550
9/1/2012	-41,550	-41,550
12/1/2012	-41,550	-41,550
3/1/2013	-41,550	-41,550
6/1/2013	-41,550	-41,550
9/1/2013	-41,550	-41,550
12/1/2013	-41,550	-41,550
3/1/2014	-41,550	-41,550
6/1/2014	-41,550	-41,550
9/1/2014	-41,550	-41,550
12/1/2014	-41,550	-41,550
3/1/2015	-41,550	-41,550
6/1/2015	-41,550	-41,550
9/1/2015	-41,550	-41,550
12/1/2015	-41,550	-41,550
3/1/2016	-41,550	-41,550
6/1/2016	-41,550	-41,550
9/1/2016	-41,550	-41,550
12/1/2016	-41,550	-41,550
3/1/2017	-41,550	-41,550
6/1/2017	-41,550	-41,550
9/1/2017	-41,550	-41,550
12/1/2017	-41,550	-41,550
3/1/2018	-41,550	-41,550
6/1/2018	-41,550	-41,550
9/1/2018	-41,550	-41,550
12/1/2018	-41,550	-41,550
3/1/2019	-41,550	-41,550
6/1/2019	-41,550	-41,550
9/1/2019	-41,550	-41,550
12/1/2019	-41,550	-41,550
3/1/2020	-41,550	-41,550
6/1/2020	-41,550	-41,550
9/1/2020	-41,550	-41,550
12/1/2020	-41,550	-41,550
	-1,662,000	**-1,662,000**

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

December 2, 2009

The City of Hinton
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

The City of Hinton
Hinton, 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 to The City of Hinton (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its $1,662,000 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) an ARRA Assistance Agreement dated December 2, 2009, including all schedules and exhibits attached thereto (the "ARRA Assistance Agreement"), among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the ARRA Assistance Agreement. The Bonds are issued in the principal amount of $1,662,000, in the form of one bond, bearing no interest, registered as to principal only to the Authority, with principal forgivable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning March 1, 2011, to and including December 1, 2020, all as set forth in "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Bonds. The Series 2009 B Bonds are not subject to the SRF Administrative Fee.

The Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on September 15, 2009, as supplemented by the Supplemental Resolution duly adopted by the Issuer on November 17, 2009 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the

ARRA Assistance Agreement has been undertaken. 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 ARRA Assistance Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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 ARRA Assistance Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof.

2. The ARRA Assistance Agreement inures to the benefit of the Authority and 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 Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

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

5. 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, on a parity with the Issuer's (i) Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated June 14, 1990, issued in the original aggregate principal amount of $637,262 (the "Series 1990 A Bonds"), (ii) Sewer Revenue Bonds, Series 1990 C (United States Department of Agriculture), dated June 14, 1990, issued in the original aggregate principal amount of $668,000 (the "Series 1990 C Bonds"), (iii) Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated March 30, 2004, issued in the original aggregate principal amount of $490,000 (the "Series 2004 A Bonds"), and senior and prior to, with respect to liens, pledge and source of and security for payment the Issuer's Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development authority), dated June 14, 1990, issued in the original aggregate principal amount of $29,738 (the "Series 1990 B Bonds").

6. 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.

7. The Bonds have not been issued on the basis that the interest thereon, if any, 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.

No opinion is given herein as to the effect upon enforceability of the 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 Bond numbered BR-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

11.05.09
414550.00004

ZIEGLER & ZIEGLER, L.C.
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HINTON, WV 25951
Email: zaz@suddenlinkmail.com
www.zieglerandziegler.com

DAVID L. ZIEGLER
ANNA R. ZIEGLER

OF COUNSEL: KEITH LIVELY
Licensed in West Virginia, Tennessee,
And the District of Columbia

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December 2, 2009

The City of Hinton
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

The City of Hinton
Hinton, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to The City of Hinton in Summers County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, an ARRA Assistance Agreement for the Series 2009 B Bonds, dated December 2, 2009, including all schedules and exhibits attached thereto, by and among the Issuer and the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), (the "ARRA Assistance Agreement"), a Bond Ordinance duly enacted by the Issuer on September 15, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 17, 2009 (collectively, the "Bond Legislation"), a Petition of the Sanitary Board duly adopted on August 20, 2009 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 ARRA Assistance Agreement when used herein.

We are of the opinion that:

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

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

2. The ARRA Assistance Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements 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, the ARRA Assistance Agreement and the consummation of the transactions contemplated by the Bonds, the ARRA Assistance Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the DEP and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance adopted June 3, 2009 which became effective for service rendered on or after July 18, 2009. Such ordinance remains in full force and effect.

6. The Issuer has received the Recommended Decision entered on August 13, 2009, which became Final Order on September 2, 2009, in Case No. 03-0900-S-CN of the Public Service Commission of West Virginia, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project and an affidavit of CPA dated November 17th, 2009. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervener or other person not a party to such Order. Such order remains in full force and effect.

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

8. We have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. Prior to the execution of construction contracts by the Issuer, we will verify that all successful bidders have made

the required provisions for all insurance and payment and performance bonds and we will verify such insurance policies and bonds for accuracy. Prior to the execution of construction contracts by the Issuer, we will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies: (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the ARRA Assistance 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,

David L. Ziegler
ZIEGLER & ZIEGLER, L.C.

11.05.09
414550.00004

REVISED FINAL TITLE OPINION

October 27th, 2009

West Virginia Department of Environmental Protection
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: City of Hinton

Dear Ladies & Gentlemen:

This firm represents the City of Hinton with regard to a proposed Gold Coast project extending sanitary sewer collection to the Gold Coast, together with all appurtenant facilities, and provides this final title opinion on behalf of the City to satisfy the requirements of the West Virginia Department of Environmental Protection with regard to the financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the City is a duly created and existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the DEP.

2. That the City has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That I have investigated and ascertained the location of and am 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 Stafford Consultants, Inc., the consulting engineers for the Project.

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Summers County, West Virginia, the county in which the Project is to be located, and, in my opinion, the City has acquired legal title or such other estate or interest in the necessary site components for the Project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.

5. That all deeds or other documents which have been acquired to date by the City have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the City.

Sincerely,

David L. Ziegler
Project Attorney

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

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. ARRA ASSISTANCE AGREEMENT
11. INSURANCE
12. VERIFICATION OF SCHEDULE
13. RATES
14. SIGNATURES AND DELIVERY
15. BOND PROCEEDS; GRANTS
16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
17. PUBLIC SERVICE COMMISSION ORDER
18. SPECIMEN BONDS
19. CONFLICT OF INTEREST
20. CLEAN WATER ACT
21. PROCUREMENT OF ENGINEERING SERVICES
22. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of The City of Hinton in Summers County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER hereby certifies on this 2nd day of December, 2009 in connection with the Issuer's Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated the date hereof (the "Series 2009 B 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 September 15, 2009, and the Supplemental Resolution duly adopted November 17, 2009 (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 Series 2009 B Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of

the Gross Revenues or any grants, or in any way contesting or affecting the validity of the Series 2009 B Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2009 B Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Series 2009 B Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Series 2009 B Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Net Revenues or the pledge of Net Revenues as security for the Series 2009 B Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System and the issuance of the Series 2009 B Bonds have been obtained and remain in full force and effect, and competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the ARRA Assistance Agreement and the Issuer has met all conditions prescribed in the ARRA Assistance Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's (i) Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated June 14, 1990, issued in the original aggregate principal amount of $637,262 (the "Series 1990 A Bonds"), (ii) Sewer Revenue Bonds, Series 1990 C (United States Department of Agriculture), dated June 14, 1990, issued in the original aggregate principal amount of $668,000, and (iii) Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated March 30, 2004, issued in the original aggregate principal amount of $490,000 (collectively the "First Lien Bonds"). There are also outstanding obligations of the Issuer which will be junior and subordinate to the Series 2009 B Bonds as to liens, pledge and source of security for payment, being the Issuer's Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated June 14, 1990, issued in the original aggregate principal amount of $29,738 (the "Series 1990 B Bonds"). The Series 1990 A Bonds, the Series 1990 C Bonds, the Series 2004 A Bonds and the Series 1990 B Bonds are hereinafter referred to as the "Prior Bonds". The Issuer is current on all Prior Bonds' payments and is in compliance with all covenants and requirements of the Prior Ordinance.

The Series 2009 B Bonds shall be issued on a parity with the First Lien Bonds, with respect to liens, pledge, source of and security for payment and in all other respects. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds are met, (ii) the written consent of the registered owners of the First Lien Bonds to the issuance of the Series 2009 B Bonds on a parity with the First Lien Bonds, and (iii) written consent of the Holders of the Series 1990 B Bonds to the issuance of the Series 2009 B Bonds, senior and prior to the Series 1990 B Bonds. Other than the Prior Bonds, there are no other bonds, notes or other obligations of the Issuer which 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

ARRA Assistance Agreement

Public Service Commission Orders

Infrastructure Council Approval

City Charter

Ordinance Creating Sanitary Board

Petition of Sanitary Board

Oaths of Office of Officers and Councilmembers

Resolution on Open Governmental Proceedings Rules

Sewer Rate Ordinance

Minutes on Enactment of Sewer Rate Ordinance and Notice of Public Hearing

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

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

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

Prior Bond Ordinance and Supplemental Resolution

Consent of WDA to Issuance of Parity Bonds

Consent of USDA to Issuance of Parity Bonds

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Hinton". The Issuer is a municipal corporation in Summers County and is presently existing under the laws of, and is a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor, Recorder and four (4) 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:

Name	Date of Commencement of Office	Date of Termination of Office
Joseph Blankenship, Mayor	July 1, 2009	June 30, 2013
Cristopher Meadows, Recorder	July 1, 2009	June 30, 2013
Larry Meador, Councilmember	July 1, 2009	June 30, 2013
Charles S. Oxley, Jr. Councilmember	July 1, 2009	June 30, 2013
James P. Jordan, Councilmember	July 1, 2009	June 30, 2013
Robert Basham, Councilmember	July 1, 2009	June 30, 2013

The duly elected or appointed members of the Sanitary Board for 2009 are as follows:

Name

Joseph Blankenship, Chairman
R. Lynn Long, P.E.
Betty Jo Basham

The duly appointed and acting Counsel to the Issuer is Ziegler & Ziegler, L.C., Esquire, in Hinton, 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 will be acquired 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 Series 2009 B 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 Series 2009 B Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. Prior to the execution of construction contracts by the Issuer, all insurance for the System required by the Bond Legislation will be in full force and effect.

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

The Issuer shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of the ARRA Assistance Agreement for at least the term of the Series 2009 B Bonds.

The Issuer shall notify the Authority and the DEP of any proposed bond indebtedness secured by the revenues of the System.

The Special Conditions of the ARRA Assistance Agreement attached as Exhibit A are hereby accepted and agreed to and incorporated herein.

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

11. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard

hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Bond Legislation and the ARRA Assistance Agreement. All insurance for the System required by the Bond Legislation and the ARRA Assistance Agreement are in full force and effect.

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

13. RATES: The Issuer has duly adopted a sewer rate ordinance on June 3, 2009 setting rates and charges of the System. The time for appeal of such Order has expired prior to the date hereof without any appeal and such rates are currently in full force and effect.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Series 2009 B Bonds of the aforesaid issue, consisting upon original issuance of a single Bond of each series, 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 Series 2009 B Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Series 2009 B Bonds to a representative of the Authority as the original purchaser of the Series 2009 B Bonds under the ARRA Assistance Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

15. BOND PROCEEDS; GRANTS: On the date hereof, the Issuer received $83,100 from the Authority and the DEP, being a portion of the principal amount of the Series 2009 B Bonds. The balance of the principal amount of the Series 2009 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses. The grant of $108,646 from the West Virginia Infrastructure Council is committed.

16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *Hinton News,* a qualified newspaper of general circulation in The City of Hinton, no newspaper being published therein, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Series 2009 B Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 15th day of September, 2009, at 7:00 p.m., at the Hinton 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.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision entered on August 13, 2009, which became Final Order on September 2, 2009 of

the Public Service Commission of West Virginia, in Case No. 03-0900-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project and an affidavit of CPA dated November 17, 2009. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervener or other person not a party to such Order. Such order remains in full force and effect.

18. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2009 B Bonds.

19. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2009 B Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

20. CLEAN WATER ACT: The Project described in the Bond Ordinance complies with the Clean Water Act.

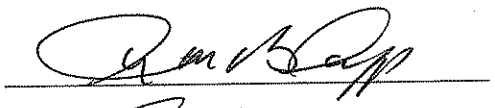
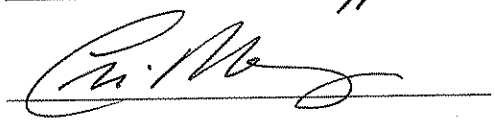
21. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

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

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official seal of The City of Hinton on this the day and year first above written.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
	Recorder
_____	Counsel to Issuer

11.05.09
414550.00004

WITNESS our signatures and the official seal of The City of Hinton on this the day and year first above written.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	Recorder
_____	Counsel to Issuer

11.05.09
414550.00004

EXHIBIT A

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT – The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking 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. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP. New systems shall submit the asset management plan to DEP when the Project is complete. Existing systems shall submit the asset management plan to DEP within six months following completion of the Project.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. PURCHASING REQUIREMENTS – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. SUSPENSION AND DEBARMENT – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. REPORTING – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. INSPECTOR GENERAL REVIEWS – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. FALSE CLAIMS – The Local Government must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. LIMIT ON FUNDS – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements applicable to ARRA funds.

O. OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. DISADVANTAGED BUSINESS ENTERPRISE – Pursuant to 40 CFR, Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments

of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond funded by ARRA funds shall be designated "Series [2009] B" and shall contain "(WVCWSRF Program/ARRA)" in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved or enacted customer rates for at least eighteen months after completion of the Project or until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses.

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of The City of Hinton in Summers County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $1,662,000 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, dated December 2, 2009 (the "Bonds" or the "Series 2009 B Bonds"), hereby certifies on the 2nd day of December, 2009, 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 September 15, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on November 17, 2009 (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 December 2, 2009, the date on which the Bonds are being physically delivered in exchange for an initial advance of $83,100, being a portion of the principal amount of the Series 2009 B 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"), 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 2009 B Bonds were sold on December 2, 2009, to the Authority, pursuant to the ARRA Assistance Agreement, at which time, the Issuer received $83,100 from the Authority and the DEP, being the first advance of the principal amount of the Series 2009 B Bonds. No accrued interest has been or will be paid on the Series 2009 B Bonds. The balance of the principal amount of the Series 2009 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2009 B Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2009 B 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 December 1, 2010. The acquisition and construction of the Project is expected to be completed by September, 2010.

8. The total cost of the Project is estimated at $1,770,646. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2009 B Bonds	$1,662,000
Infrastructure Council Grant	108,646
Total Sources	$1,770,646
USES	
Costs of Acquisition and Construction of the Project	$1,751,646
Costs of Issuance	$ 19,000
Total Uses	$1,770,646

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2009 B Bonds:

(1) Revenue Fund;

(2) Series 2009 Bonds Construction Trust Fund;

(3) Series 2009 B Bonds Sinking Fund; and

(4) Series 2009 B Bonds Reserve Account.

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

(1) Proceeds of the Series 2009 B Bonds in the amount of $-0- will be deposited with the Commission in the Series 2009 B Bonds Reserve Account.

(2) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2009 B Bonds.

11. Monies held in the Series 2009 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2009 B Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2009 B Bonds Sinking Fund and Series 2009 B Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2009 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 9 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 2009 B Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 15 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2009 B Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2009 B Bonds in the then current or any succeeding year with the proceeds of the Series 2009 B Bonds, or (b) created the Series 2009 B Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2009 B Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2009 B Bonds in the then current or any succeeding year. Monies in the Series 2009 B Bonds Reserve Account and the Series 2009 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

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

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

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

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

THE CITY OF HINTON

By: _____
Its: Mayor

11.05.09
414550.00004

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

CERTIFICATE OF ENGINEER

I, C. Dean Upton, Registered Professional Engineer, West Virginia License No. 7829, of Stafford Consultants, Incorporated, in Princeton, West Virginia, hereby certify this 2nd day of December, 2009 as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the sewerage system (the "System") of The City of Hinton (the "Issuer"), to be constructed in Summers County, West Virginia, which acquisition and construction are being permanently financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on September 15, 2009, as supplemented by the Supplemental Resolution of the Issuer adopted November 17, 2009 (collectively, the "Bond Legislation"), the ARRA Assistance Agreement for the Series 2009 Bonds by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), dated December 2, 2009, (the "ARRA Assistance Agreement").

2. The Bonds are being issued (i) to pay a portion of the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and the Authority and any change orders approved by the Issuer, the Authority, 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 12 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and Ziegler & Ziegler, PLLC counsel to the Issuer, will ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy; (iv) the successful bidder has provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (v) the successful bidder received any and all addenda to the original bid documents; (vi) 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; (vii) the successful bid include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) 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; (x) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. I have received the Buy American Certification from each contractor.

5. The Project will serve 26 new customers in the WV Route 20 area South of Hinton.

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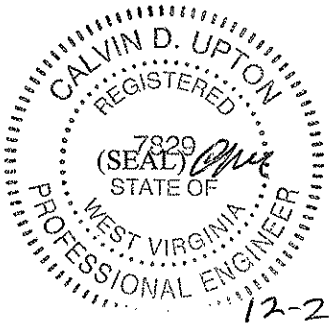
WITNESS my signature and seal on the day and year first written above.



STAFFORD CONSULTANTS INCORPORATED

C. Dean Upton, P.E.
West Virginia License No. 7829

11.05.09
414550.00004

CITY OF HINTON SCHEDULE B
DEP (ARRA) C-544325-02

A. COST OF PROJECT	Total	IJDC GRANT	DEP ARRA	
1 **Construction**				
Contract 1	1,428,534.00		1,428,534.00	
2 **Technical Services**				
a. Basic Services	53,387.00		53,387.00	
b. Inspection	83,519.00		83,519.00	
c. Additional Services	39,779.00		39,779.00	
3 **Legal & Fiscal**				
a. Legal	10,000.00	10,000.00		
b. Accounting	15,000.00	15,000.00		
4 **Administrative**	50,000.00	12,219.00	37,781.00	
5 **Sites & Other Lands**				
a. Land acquisition / ROW	0.00			
b. Permits	0.00			
6 **Archaeological Survey**	0.00			
7 **Miscellaneous**	0:00			
8 **Contingency**	71,427.00	71,427.00		
9 **TOTAL of Lines 1 through 8**	1,751,646.00	108,646.00	1,643,000.00	
B. COST OF FINANCING				
10 **Funded Reserve**	0.00			
11 **Other Costs**				
a. Bond Counsel	18,500.00		18,500.00	
b. Registrar Fee	500.00		500.00	
12 **Cost of Issuance**	19,000.00	0.00	19,000.00	
13 **TOTAL PROJECT COST(Line 9 plus Line 12)**	**1,770,646.00**	**108,646.00**	**1,662,000.00**	
C. SOURCES OF OTHER FUNDS				
14 Federal Grants	0.00			
15 State Grants	108,646.00	108,646.00		
16 Other Grants	0.00			
17 Any Other Source	0.00			
18 TOTAL GRANTS (Lines 14 through 17)	108,646.00			
19 **Size of Bond Issue**	**1,662,000.00**			

C. Dean Hinton — 11-3-09

Stafford Consultants, Inc., Consulting Engineer — Date

11-17-09

City of Hinton — Date

Griffith & Associates, PLLC Accountants & Consultants

December 2, 2009

The City of Hinton
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

The City of Hinton
Hinton, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance of The City of Hinton (the "Issuer"), dated May 19, 2009, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Stafford Consultants Incorporated, the Consulting Engineer to 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 Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) (the "Bonds"), and all other obligations secured by a lien on or payable from such revenues, including the Issuer's: (1) Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated June 14, 1990, issued in the original aggregate principal amount of $637,262 (the "Series 1990 A Bonds"), (2) Sewer Revenue Bonds, Series 1990 C (United States Department of Agriculture), dated June 14, 1990, issued in the original aggregate principal amount of $668,000 (the "Series 1990 C Bonds), (3) Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), dated March 30, 2004, issued in the original aggregate principal amount of $490,000 (the "Series 2004 A Bonds"), and (4) Sewer Revenue Bonds, Series 1990 B (West Virginia Water Development Authority), dated June 14, 1990, issued in the original aggregate principal amount of $29,738 (the "Series 1990 B Bonds") (collectively, the "Prior Bonds").

It is our further opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Bonds are issued will be at least 120% of the average annual debt service requirements on the Bonds and the Prior Bonds, and (ii) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Bonds and the Prior Bonds.

Very truly yours,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

Michael D. Griffith, CPA, AFI
michaelgriffithcpa@verizon.net
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

PART I

The Charter of the City of Hinton

As contained in Chapter one of the Municipal Charter Volume of the Acts of one thousand nine hundred and twenty-seven of the Legislature of West Virginia as amended by Chapter one hundred and thirty-one of the Acts of one thousand nine hundred and thirty-five of the Legislature of West Virginia.'

1. City incorporated; name; powers.
2. Corporate limits.
§ 3. Wards.
First Ward..
Second Ward.
Third Ward.
Fourth Ward.
Fifth Ward.
Sixth Ward.
Seventh Ward.
Eighth Ward.
§ 4. Governing body.
§ 5. Exercise of corporate powers.
§ 6. Council to appoint and fix salaries, powers and duties of subordinate officers; not to appoint member of council.
§ 7. Terms of elective officers; terms and bonds of appointive officers.
8. Qualifications for office; removal after hearing.
§ 9. Executive committees of political parties.
§ 9 (a). Form of announcement of candidacy for mayor or council.
§ 9 (b). Nominations to be made by primary; how primary conducted; declaration of result.
§ 9 (c). General city election, how conducted and returned; certificate of election.
§ 9 (d). How primary and general elections conducted in 1935.
§ 9 (e). City election in June, 1935.
§ 9 (f). Registration of voters.

' All amendments to the Charter are indicated by historical citations following the amended sections. Unless so indicated, the section derives unchanged from chapter one of the Municipal Charter Volume of the Acts of 1927 of the Legislature of West Virginia.

9 (g). Voting precincts.
10. Qualifications of voters.
11. Method of voting.
11 (a). Election contests.
12. Registration of voters; fee of registrars; duties of registrars and council; when registration made by county court may be adopted by city, after correction by council.
13. Oath of elective and appointive officers.
14. Official bonds.
15. Bonds to be payable to city or state; proceedings against obligators.
16. Salaries of elective and appointive officers.
17. Action by council upon election of ineligible person or failure of person elected to qualify.
18. Council to fill vacancies in office.
19. Removal of elective officers for cause; removal of appointive officers with or without cause.
20. Time and place of meeting of council; compelling attendance of members; meeting open to public.
21. Mayor and three members constitute quorum of council.
22. Presiding officer to have one vote; when majority of all members elected required.
23. Selection of president of council; duties and powers.
24. Corporate powers.
    (1) Survey.
    (2) *Opening, maintenance, etc., of streets, squares, and sewers, etc.; special assessment therefor.*
    (3) *Regulation of use of streets; obstructions, pollution, litter.*
    (4) *Bridges.*
    (5) *Street names and premise numbers.*
    (6) *Regulation of width of streets.*
    (7) *Curbing, paving and repair of sidewalks; duty to clean sidewalks.*
    (8) *Abuse* of animals.
    (9) *Vagrants, beggars, prostitutes, etc.*
    (10) *Bringing person or animal infected with contagious disease into the city.*
    (11) *Houses of ill-fame and gaming houses; gambling.*
    (12) *Slaughterhouses and other offensive establishments.*
    (13) *Entrance into and examination of premises.*
    (14) *Walls, fences, fireplaces, smokestacks and stovepipea.*
    (15) *Construction, inspection and repair of buildings, bridges, sewers, etc.*
    (16) *Removal or repair of dangerous walls or structures.*
    (17) *Erection of buildings.*

(18) *Building regulations.*
(19) *Projections.*
(20) *Fire limits; regulations as to fire.*
(21) *Fire escapes.*
(22) *Opening and construction of ditches, drains, sewers, cesspools and gutters.*
(23) *Fire and police atationa, police courts, jails and incinerators, etc.*
(24) *Public grounds, markets, hospitals, libraries, educational and charitable institutions and other city* buildings.
(25) *Eminent domain.*
(26) *Purchase and sale, etc.. of public buildings and real estate.*
(27) *Removal of unsafe walls and structures; excavations.*
(28) *Prevention of nuisances.*
(29) *Abatement of nuisances.*
(30) *Gunpowder, combustible and dangerous articles.*
(31) *Explosives, firecrackers, fireworks; dangerous or* annoying *noises or performances.*
(32) *Cemeteries and burial.*
(33) *Trees, shrubs, etc.*
(34) *Provision for poor.*
(35) *Traffic regulations.*
(36) *Prize fighting; cock fighting and dog fighting.*
(37) *License taxes.*
(38) *Fire department and apparatus; regulations as to danger from the elements, of plumbing and wiring, airships and wireless stations, etc.*
(39) *Tax levies.*
(40) *Licensing and regulation of animals and fowl; impounding.*
(41) *Revenue and appropriations.*
(42) *Rules for transacting business.*
(43) *General welfare; protection of persons and property.*
(44) *Weights; signs, billboards, etc.*
(45) *Licenses for carrying on business.*
(46) *Markets.*
(47) *Signs, billboards, etc.*
(48) *Preservation of safety and health; drugs.*
(49) *Weapons.*
(50) Drunkenness.
(51) *Gambling.*
(52) *Preservation of morals and decency.*
(53) *Observance of Sunday.*
(54) *Profanity.*
(55) *Intoxicants.*

(56) City elections.
(57) Gas, electric light or waterworks.
(58) Purety of food and drink.
(59) Inspection of dairies and **slaughterhouses.**
(60) Articles **deemed unwholesome,**
(61) Public **processions.**
(62) Ordinances and rules for **protecting health, property,** morality, etc.
(63) Divine worship.
(64) Punishment for violation of **ordinance.**
(65) Employment of those committed in default of payment of fine.
(66) Attendance at public meetings of council members.
(67) Rights, privileges **and powers under Code** of West Virginia.
(68) Territorial jurisdiction.
(69) Franchises.
(70) For-hire vehicles.
(71) Public markets,
(72) **Adoption and enforcement** of ordinances, etc.; **imposition** of fines **and penalties.**
(73) Waterworks.
(74) Electric light plant.
(75) Poolrooms, ping-pong boards and vending machines.

25. Powers **and** duties of **the mayor.**
26. City manager. **(Repealed by** Acts, 1935, ch. *131.)*
27. Powers and duties of police officers.
28. Powers and duties of city attorney.
29. Board of health.
30. Nuisances.
31. Taxation.
32. Liens; delinquent taxes.
33. Licenses.
34. Condemnation.
35. Deposit and disbursement of funds.
36. Audit.
37. Grading, construction, maintenance and repair of sidewalks, drains, gutters and streets without petition of owners of abutting property.
§ 38. Construction, repair and maintenance of local improvements upon petition of owners.
§ 39. Bond issues.
§ 40. Indebtedness prohibited.

§ 41. Duty of city to maintain streets and roads; relief from district road levies.
§ 42. Franchises.
§ 43. Codification of ordinances.
44. City of Hinton as successor to cities of **Hinton and Avis, previously incorporated.**
45. Effect **of Charter upon** ordinances of cities of Hinton **and Avis.**
§ 46. Number and gender of nouns and pronouns.
§ 47. Style of ordinance.
§ 48. Merger of cities of Hinton and Avis.
§ 49. Repeal of inconsistent acts.

An Act to amend and re-enact chapter one hundred and four of the Acts of one thousand eight hundred and ninety-seven, as amended by chapter one hundred and twenty-one of the Acts of one thousand nine hundred and one, **and as** further amended and re-enacted by chapter fifteen of the Municipal Charter Volume of the Acts of one thousand nine hundred and fifteen of the Legislature of West Virginia, relating to the charter of the City of Hinton, and to change the boundary lines of the said City of Hinton so as to include all of the territory formerly embraced in the City of Hinton, all of the territory formerly embraced in the City of Avis, all of the village locally known as Bellepoint, and certain additions and other territory adjoining the village of Bellepoint and the City of Hinton; to change the form of government and provide a new charter for the City of Hinton, and to repeal all acts and parts of acts inconsistent with the provisions of this act.

Be it enacted by the Legislature of West Virginia:

That chapter one hundred and four of the Acts of one thousand eight hundred and ninety-seven, as amended by chapter one hundred and twenty-one of the Acts of one thousand nine hundred and one, and as amended and re-enacted by chapter fifteen of the Municipal Charter Volume of the Acts of one thousand nine hundred and fifteen of the legislature of West Virginia, relating to the charter of the City of Hinton, be amended and re-enacted so as to read as follows :

Sec. 1. City incorporated; name; powers.

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

Sec. 2. Corporate limits.

The corporate limits of the said City of Hinton shall be.as follows, that is to say:

Beginning at a stone post, a corner of the present corporate lines of the cities of Hinton and Avis, said stone post marked "C. & O." ; thence leaving said stone post running in a straight line in a north-easterly direction, approximately four thousand and seven hundred feet to a point in Grimmett's or Briers' branch, which point is two thousand and seven hundred feet from the mouth of said branch ; thence in a straight line in a north-easterly direction crossing Tug creek at a point one thousand feet from the mouth of said creek, and extending beyond Tug creek in the same direction up the hill to a ledge of Brownstone cliffs; thence with the face of said cliffs in a northerly direction to a point on the crest of the first ridge below said Tug creek; thence down said crest of said ridge in a north-westerly direction crossing the county road and Chesapeake & Ohio railroad to New River at a point three hundred feet below the mouth of Tug creek; thence crosing New River the same course to a point in the Raleigh county line in said river, thence up New River with the Raleigh county line to the corner of Raleigh county at the mouth of Madam's creek; thence continuing up said New River with the normal low

water mark on the westerly bank and the meanders of said river to a point opposite the south line of L. L. Pack; thence at right angles in an easterly direction, crossing New River, to the south-westerly corner of the L. L. Pack property on an island; thence with the southerly line of the said L. L. Pack property, being the division line between L. L. Pack and the Virginian Power company land, in an easterly direction, including the L. L. Pack property to a common corner of L. L. Pack, Bertie Myers' heirs, and George W. Wiseman on the hill; thence in a northerly direction with the division line between George W. Wiseman and the Bertie Myers' heirs, to the county road; thence in a straight line to the Bellepoint Water Works company's reservoir, including said reservoir; thence in a straight line to a point on the Big branch, known as the John West hollow, one thousand feet from Greenbrier River, thence running with said branch in a northerly direction to Greenbrier River ; thence down Greenbrier River with the southerly bank thereof, to the south-westerly corner of the upper bridge across said river, about one mile from the mouth of said river, thence northerly to the center of Greenbrier river, thence westerly along the center of Greenbrier river to the easterly side of the Bellpoint bridge across Greenbrier river; thence from the said easterly side of said bridge in a northeasterly direction to the intersection with the Hinton independent school district line; thence with said school district line to the point of beginning at a stone post marked "C. & O.," and includes all of the territory embraced within the corporate limits of the City of Hinton, all of the territory embraced within the present corporate limits of the City of Avis, all of the village locally known as Bellepoint, including the L. L. Pack property, Greenbrier Terrace addition, Greenbrier Front Extension numbers one and two, the Jack Sims addition, and additional outlying territory adjoining the said Town of Bellepoint and additions thereto, and including the Quesenberry addition to the City of Hinton, Flat Rock section and Tug Creek, and the waters and islands of New River between the mouth of Tug Creek and the southerly line of the said City of Bellepoint,

and the waters and islands of Greenbrier river to the easterly line of said city at the upper Greenbrier river bridge, and including all of the railroad right of way, tracks, yards and other improvements of the Chesapeake & Ohio Railway company embraced within the above described territory.

Sec. 3. Wards.

The said *City* of Hinton shall be divided into eight wards, which shall be bounded and described as follows:

First Ward. All of that portion of the territory embraced in the corporate limits of the said City of Hinton *lying* on the north-easterly side of the center Iine of Twelfth avenue extended in a north-westerly direction across the Chesapeake & Ohio railway property to New River, and extended from the upper end of said Twelfth avenue in a south-easterly direction to intersect with the corporate line of said city, shall constitute and be the first ward of the said City of Hinton.

Second Ward. All of that portion of the territory embraced in the corporate limits of the said City of Hinton lying between the center line of said Twelfth avenue extended as aforesaid, and the center line of Seventh avenue extended in a north-westerly direction across the Chesapeake & Ohio Railway company's property to New River, and extended from the upper end of Seventh avenue in a south-easterly direction to intersect with the line of the corporate limits of said city, shall constitute and be the second ward of the said City of Hinton.

Third Ward. All of **that** portion of the territory embraced in the corporate limits of the said City of Hinton, lying between the center line of said Seventh avenue, extended as aforesaid, and the center line of Fourth avenue, extended in a north-westerly direction across the Chesapeake & Ohio Railway company's property to New River, and extending from the upper end of Fourth avenue in a south-easterly direction to intersect with the south-easterly boundary lines of said city,

shall constitute and be the third ward of the said City of Hinton.

Fourth Ward. All *of* that portion of the territory embraced in the corporate limits of the said City of Hinton, lying between the center line of Fourth avenue, extended as aforesaid, and the center line of Second avenue, extended in a northwesterly direction across the Chesapeake & Ohio Railway company's property to New River, and from the upper end of said Second avenue extended in a south-easterly direction to intersect with the south-easterly boundary line of said city, shall constitute and be the Fourth ward of said City of Hinton.

Fifth Ward. All *of* that portion of the territory embraced in the corporate limits of the said City of Hinton lying between the center line of Second avenue, extended as aforesaid, and the center line of Cross street, extended in a north-westerly direction across the property of the Chesapeake & Ohio Railway company to New River, and extended from the upper end of said Cross street in a south-easterly direction to intersect with the south-easterly boundary line of said city, shall constitute and be the fifth ward of the said City of Hinton.

Sixth Ward. All of that portion of the territory embraced within the corporate limits of the said City of Hinton lying between the said center line of Cross street, extended as aforesaid, and a line from the point where the corporate line of said city crosses Keatley's spring hollow, thence down said hollow to the main line of the Chesapeake & Ohio Railway company. thence in a northerly direction with the main line of said Chesapeake & Ohio Railway company to Main street ; thence with Main street and First street to New River at the old Hinton ferry, shall constitute and be the sixth ward of said City of Hinton.

Seventh Ward. All *of* that portion of the territory embraced within the corporate limits of the said City of Hinton, lying between said line from the point where the corporate line of said city crosses Keatley's springs hollow; thence down

the said hollow to the main line of the Chesapeake & Ohio Railway company, and with said main line of said Chesapeake & Ohio Railway company to Main street; thence with Main street and First street to New River at the old Hinton ferry and New River; from said old Hinton ferry up to the point of intersection of the Greenbrier River with New River at Bellepoint; thence up Greenbrier River to the line of the corporate limits of said city at the upper Greenbrier River bridge, shall contitute and be the seventh ward of said City of Hinton.

Eighth *Ward.* ***AU*** of that portion of the **territory** em**braced within** the corporate limits of the said City of **Hinton, lying** between **Greenbrier River** and New River, and **bounded** on the south and east by the corporate lines of said city, and locally known as Bellepoint, shall constitute and be the eighth ward of the said City of Hinton.

Sec. 4. Governing body.

The municipal **authority** of the city of Hinton shall consist of and be vested in **a mayor and four members** of the council, who shall be elected by the **voters** of **the whole** city ; **and** the **mayor and the four members of the council elected by the voters of** the whole **city as herein provided,** shall constitute and be "the council of the city of Hinton." (Acts 1935, ch. 131)

Sec. 5. Exercise of corporate powers.

All of the corporate powers and functions pertaining to the said City of Hinton shall be exercised by its council, or under its authority, in the corporate name of said city, unless otherwise provided by this act, or by municipal ordinance.

Sec. 6. Council to appoint and fix salaries, powers and duties of subordinate officers; not to appoint member of council.

The subordinate officers of said city may consist of such officers as the council from time to time by ordinance may

provide, including, at the discretion of the council, a city manager, recorder, chief of police, city attorney and city health officer. **The** salaries, **powers and** duties of *any such* subordinate officers appointed by the council shall be set out and designated in the ordinance providing for their appointment, which appointments shall be made in the manner hereinafter provided, but in no event shall the council appoint any of its members as a clerical assistant, recorder, or for the performance of any other duties than those of councilmen. (Acts 1935, ch. 131.)

Sec. 7. Terms of elective officers: terms and bonds of appointive officers.

The mayor and members of the council of the **said** city shall enter upon the duties of their respective offices on the first day of July **next after their election, and continue for a period of** two years, unless they shall sooner be removed from office for cause, by an affirmative vote of a majority of all the members elected to the council, after five days due notice, or shall resign. All **subordinate and appointive** *officers* **shall enter upon** the duties of their respective offices, as soon as they **shall have** been appointed and qualified, and **give bond** as **required by this** act or by ordinance of the city and shall hold and continue in their respective offices during the will and pleasure of the council.

All elective officers of the said city, **shall continue in their** respective offices until the end of their present terms of office, and their successors have been duly elected or appointed, qualified, and shall **have given bond, as required by** this act, for the faithful performance of the duties of their respective offices. **(Acts 1935, ch. 131.)**

Sec. 8. Qualifications for office; removal after hearing.

No person shall be eligible to the office of mayor, recorder, city manager or councilman, unless at the time of his election, he is legally entitled to vote in the city election for member

of the common council, and was for the preceding year assessed with taxes upon real or personal property within said city, of the assessed aggregate value of five hundred dollars, and shall have actually paid the taxes regularly assessed against it. He shall be an actual bona fide citizen of the United States of America, and a resident of the city for one year *last* preceding his election. The mayor or any member of the common council, ceasing to possess any of the qualifications specified in *this* section, or if convicted of any crime while in office, or found guilty of malfeasance, misfeasance or nonfeasance by an affirmative vote of all the members elected to the council, shall immediately forfeit his office, after being first given five days notice in writing of the charges filed against him by the mayor, any member of the council, or any citizen of the city. (Acts 1935, ch. 131.)

Sec. 9. Executive committees of political parties.

Any political party of the city may elect members of a political executive committee from said city, *which* committee may consist of one member from each of the wards of said city, to be elected by the voters of the respective wards at any city primary election, in the manner provided for the election of political executive committes by the general law of the state, and any political executive committee so elected shall hold office until the next city primary election.

Sec. 9 (a). Form of announcement of candidacy for mayor or council.

Any person who is eligible to hold the office of mayor or member of the council of the said city, may file with the city manager or recorder of said city, a certificate declaring himself a candidate for the nomination for such office, which certificate shall be in form or effect as follows :

I, - - - - - - - - - - - - - , do hereby certify that I am a candidate for the nomination for the office of mayor of the city of Hinton, (or for the office of member of the council of the city of

Hinton,) to represent the - - - - - - - -political party, and desire my name printed on the official ballot of said party, to be voted at the city primary election to be held in said city on the - - - - day of - - - - - - - - - - -, 19____. I further certify that I am a legally qualified voter of the said city of Hinton, and state of West Virginia; that my residence is No. - - - - -, - - - - - - - - - - Street, in the said city of Hinton; that I am eligible to hold said office and I am a member of and affiliated with said political party, and that I am a candidate for the said office in good faith.

(Signature of Candidate)

Subscribed, sworn to and acknowledged before me this day of - - - - - - - - - - , 19 - - - - - - - - - -

Notary Public.

Such announcement shall be signed and acknowledged by the candidate before some officer qualified to administer oaths, and such certificate shall be filed with the city **manager at least** ten days before the date of such primary election. (Acts 1935, ch. 131.)

Sec. 9 (b). Nominations to be made by primary; how primary conducted; declaration *of result.*

All candidates of any political party to be voted for at any municipal election for the office of mayor and member of the council of said city, shall be nominated by a primary election, to be held and conducted in said city. All such primary elections shall be held in said city on the second Tuesday in May, next before the general city election in the year in which the mayor and members of the council of said city are to be elected. Such primary election shall be held in the manner provided for in the nomination of state, county and district officers by the general election laws of this state in force at the time of such primary election, with the exception that the duties provided in the general election law to be performed

by the county court, shall be performed by the council of said city, and the duties to be performed under the general election laws by the clerks of the circuit court and county court shall be performed by the city manager or recorder of said city. The general election laws governing primary elections in force at the time of such primary election relating to the nomination of party candidates and officers of elections, shall govern such city primary election, the **same** as if such primary election laws were reenacted in ex tenso by this act, with the exception that no political party shall nominate more than one candidate for mayor of said city, and four candidates for members of the council of said city, at any primary election.

The candidate of each political party for mayor receiving the highest number of votes in the whole city and the four candidates of each political party for members of the council in said city receiving the highest number of votes in the whole city, shall be declared nominated as such political party's candidate for mayor and members of the council of said city, and their names shall be placed on the ballot for the general city election, as the candidates of their respective political party for mayor and such members of the council to be voted for at such general city election. (Acts **1935,** ch. 131.)

Sec. 9 (c). General city election, how conducted and returned; certificate of election.

The general election for the election of a mayor and the four members of the council of said city shall be held on the **second Tuesday in June in the year one** thousand nine hundred thirty-five, and each two years thereafter; said general city election shall be held and conducted under the provision of the general election laws of this state in force at the date of such election and governed by the said general election laws of this state in every respect, insofar as the same are applicable to city elections, with the exception that the duties to be performed by the county court shall *be* performed by the council of the said city, and the duties to be performed by the clerks of

the county court and circuit court shall be performed by the city manager or recorder of the said city, respectively.

The returns of the election shall be made by the city officers to the city manager or recorder, and by him submitted to the council on the fifth day after such election, and the same shall be canvassed, and the result thereof declared by the said council on said day or as soon as the council can finish and canvass the returns of such election, whereupon the council shall cause certificates of election to be issued and delivered to the persons elected as mayor and members of the council of said city. (Acts 1935, ch. 131.)

Sec. 9 (d). How primary and general elections conducted in 1935.

The mayor of the city of Hinton and the four members of the council of said city so nominated and elected by the voters of said city at the primary and city election held in said city, as hereinbefore provided, shall hold and continue in their respective offices as mayor and members of the council of said city until the end of the thirtieth day of June, one thousand nine hundred thirty-seven, when their respective terms of office shall expire; Provided, that their successors **have** been duly nominated and elected as hereinbefore provided; Provided, however, that the primary election held under the act as amended for the nomination for mayor and four members of the council of said city, on the second Tuesday in May, one thousand nine hundred thirty-five and the general election for the election of mayor and the four members of the council of said city, held on the second Tuesday in June, one thousand nine hundred and thirty-five, shall be called, conducted and held in each of the eight voting precincts in said city of Hinton, as are now established, and by the boundaries of said eight voting precincts in said city of Hinton as are now laid off and established, by the council of the City of Hinton, in office on and before the first day of July, one thousand nine hundred thirty-five. (Acts 1935, ch. 131.)

Sec. 9 (el. City election in June, 1935.

The council of the city of Hinton in office before the first day of July, one thousand nine hundred thirty-five, shall appoint all election officers necessary to hold and conduct such primary and said general city election, held on the second Tuesday in May and the second Tuesday in June, one thousand nine hundred thirty-five, respectively; they shall furnish all necessary ballots and supplies for such primary and general city election and shall canvass and declare the result thereof, hear and decide all contests over the nomination or election of any officer at such primary or general city election and cause to be executed and delivered certificates of election to the mayor and the four members of the council of said city so elected, and shall do any and all things necessary to hold and ascertain the result of said primary and said city election. (Acts 1935, ch. 131.)

Sec. 9 M. **Registration of roters.**[2]

The council of the city of Hinton, now in office or in office as soon as this act is amended, and goes into effect, shall provide for the registration of voters in each of the eight voting precincts of said city, as provided by this act **as** amended, **shall furnish all necessary registration books and blanks to make** such registration, appoint the registrars which registration shall be made immediately after the appointment of such registrars, and the said council of the city of Hinton shall hold a regular or special session on the fifth day before the first primary and city election to pass upon such registration and correct the same in the manner provided by this act. (Acts 1935, ch. 131.)

[2] Section 482 of Michie's Code of West **Virginia** of **1943 provides** that it **shall be the duty of each** municipality to make provision by **ordinance** for **integrating the** conduct of all municipal elections with **the** system **of permanent registration of voters. The provisions of this section supersede** conflicting **provisions** of existing municipal charters and is **deemed** an amendment to such charters. Attention is directed to Ch. 7, § 1.

Sec. 9 (g). Voting precincts.[3]

Each of the eight voting precincts of the city of Hinton, as now established and the boundaries thereof, as now established shall constitute, remain and be the eight voting precintcs of said city, by the boundaries as now laid off and established until the council of the said city of Hinton, shall by ordinance, entered of record, change or designate, increase or diminish said voting precincts and rearrange the boundaries of the same : Provided, however, That any new voting precinct established or any change made in the voting precincts of the city shall be made by ordinance, regularly passed by the council of the city of Hinton and notice thereof given by publication in .one democratic and one republican newspaper of general circulation, published in Summers county, at least thirty days before said change takes effect. (Acts 1935, ch. 131.)

Sec. 10. Qualifications of voters.

Every person residing in said city, over twenty-one years of age shall be entitled to vote for all officers elected under this act; but no person who is a minor, or of unsound mind, or a pauper, or who is under conviction of treason **or bribery in an** election, or who has not been a resident of this state for one year, and of said city for sixty days, next preceding the election at which he desires to vote, shall be permitted to vote therein, or, who is not a *bona fide* citizen of the United States and citizen of the state of West Virginia.

And, *provided further,* That no person shall be permitted to vote at any of the primaries or elections of said city, who

[3] **The** eight **voting** precincts of the city coincide to the **boundaries** of the voting precincts fixed by the County Court of Summers County, the first ward of the city constituting the fourth Summers County precinct; the second ward, the fifth precinct; the third ward, the sixth precinct; the fourth ward, the **seventh;** the fifth ward, the **eighth; the sixth** ward, **the** ninth; the **seventh** ward, **the** tenth; **the eighth** ward, **the eleventh.**

has not been duly registered for such primary or city election, as provided by this act.

Sec, 11. Method of voting.

In all primaries and elections by the people of said city, the mode of voting shall be by ballot, but the voters shall be left free to vote an open, sealed or secret ballot, as they may elect.

Sec. 11 (al. Election contests.

The council of the City of Hinton shall hear and decide all contests over the nomination of any city officers made at any city primary election, and shall hear and decide any contest over the election of a mayor or member of the council. The council in hearing and deciding any such contests, shall be governed by the general election law of the state governing contests of elections, insofar as the same is applicable to such city elections.

Sec. 12. Registration of voters; *fee of registrars; duties of* registrars and council; when registration made by county court may be adopted by city, after correction by council.'

All qualified voters within the City of Hinton entitled to vote in the municipal elections held therein, shall be registered in like manner, as are qualified voters of West Virginia registered under general laws in reference to **the election of state and county officers, in effect at the time of such registration,**

[4] **Section 482 of Michie's Code of West Virginia of 1943 provides that it shall be the duty of each municipality to make provision by ordinance for integrating the conduct of all municipal elections with the system of permanent registration of voters. The provisions of this section supersede the conflicting provisions of existing municipal charters and is deemed an amendment to such charters. Attention is directed to Ch. 7, § 1.**

and such general laws shall in all things apply thereto, except the fee for such registration shall be five cents for each qualified voter so registered, and the powers conferred upon the county court and the clerk of the county court by the general laws in reference to the registration of voters for general elections of state and county officers are hereby conferred upon the council of the City of Hinton, city manager, or recorder, respectively: *Provided further,* That the registrars for each of the respective wards of said city shall be appointed by the present council at a regular or special meeting of said council held on the third Monday in April next preceding any general election in said city, and that the said registrars shall complete such registration of voters on or before the first Tuesday in May following, and shall on the first Tuesday in May sit for one day in their respective voting precincts for the purpose of correcting such registration, and shall thereupon immediately return the registration books of the respective voting precincts to the city manager or recorder of said city. And the council of said city shall hold a regular or special meeting on the fifth day, Sunday excluded, prior to the date for holding of the primary election in said city, for the purpose of correcting such registration, and registrating **any** voters of said city who are qualified, and who shall have been omitted or failed to have been registered by the registrars: *Provided further,* That the council of said city shall meet again five days prior to the general city election for the purpose of correcting further the registration of the voters of said city, and shall add to such registration lists the names of any qualified voters of said city who shall appear in person for the purpose of being registered for said city election, and in all other respects the general laws of the state, pertaining to the registration of voters, shall govern the registration of voters for said city primary and general election, insofar as the same may be applicable thereto, unless otherwise provided by ordinance: *Provided,* That in event the county court of Summers County shall change the regular voting precincts embraced in what is included in the territorial limits of the city by this

act, for the election of county and district officers, the council may by ordinance provide for the adoption of the last registration of voters made in each of the precincts for the nomination and election of county and district officers, in lieu of the registration herein required to be made for city primaries and general elections. The council shall sit on the fifth day, Sunday excluded, prior to any city primary or election for the purpose of correcting the registration list, and shall correct the same by striking from the registation books so adopted the names of all persons who are not then qualified voters in each of the respective voting precincts, and shall add to such registration the names of all qualified voters *who have* been omitted from *such* list or who have become qualified to vote in such voting precinct by reason of their age, residence therein, or any other grounds that would legally qualify them to a vote in such voting precinct; and such registration list when so corrected, may be adopted as the registration for any city primary or city election, under this act. (Acts 1935; ch. 131.)

Sec. 13. Oath of elective and appointive officers.

The mayor and members of the council of said city and all other officers provided for in this act, or **that may** be **provided** for by ordinance, shall, each, before entering upon the duties of their office, and within fifteen days after receiving their certificate of election, or appointment, **take the oath or affirmation** prescribed by law for all officers in this state, and make oath or affirmation that they will truly, faithfully and impartially, to the best of their ability, discharge the duties of their respective offices, so long as they may continue therein; said oath or affirmation may be taken before any person authorized to administer oaths in this state at the time the same is taken, or before the mayor of the said city, but in any event a copy of said oath of said office shall be filed with the city manager or recorder, with the exception that the oath of office of the city manager, as provided herein, shall be filed with the mayor. (Acts 1935, ch. 13L) .

Sec. 14. Official bonds.

The mayor, city manager, chief of police and all other police officers of the city herein provided for, or that may be provided for by ordinance passed by the council, shall before entering upon the duties of their respective offices, execute and file with the recorder their respective official bonds, with good and sufficient security thereon to be approved by the council, in the following sums: the mayor shall give a bond in the penal sum of not less than one thousand dollars ; the city manager shall give a bond in the penal sum of not less than twenty thousand dollars, and the chief of police and other police officers of the city shall give a bond in the penal sum of not less than three thousand five hundred dollars, which said bonds and each of them shall be conditioned for the faithful discharge of the duties of their respective offices, and for the accounting for and paying over, as required by law, of all moneys which may come into their respective hands by virtue of their said office, and the bonds of the city manager, chief of police or any other police officers, who are authorized under this act, or under the general law of the state, to carry pistols, revolvers, maces or other weapons, in addition to the above conditions, shall be conditioned to pay all costs and damages accruing to any one by the accidental discharge or improper, negligent or illegal discharge or use of the said weapons, and such conditions shall be read into such bonds whether actually written therein or not.

Sec. 15. Bonds to be payable to city or state; proceedings against obligators.

All bonds, obligations or other writings taken in pursuance of any provisions of this act, or under the provisions of any order of said city, shall be made payable either to the City of Hinton, or to the state of West Virginia, and the obligators therein and their heirs, executors, administrators and assigns bound thereby shall be subject to the same proceedings on such bonds, obligations or writings for enforcing the conditions of

the terms thereof by motion or otherwise, before any court of record or justice of the peace having jurisdiction thereof, held or acting in or for said Summers county, or any district thereof or elsewhere, that the sheriff or collector of said county and his sureties are or shall be subject to on his bond taken for the enforcement of the duties in the payment of the county levy.

Sec. 16. Salaries of elective and appointive officers.

The salary of the mayor shall not exceed three hundred dollars per year, payable monthly out of the city treasury. The salaries of the members of the city council shall not exceed twent-five dollars per year each, **payable semi-annually** out of the city treasury. The salary of the city manager, if one is appointed by the council, and clerical assistant used in the performance of duties in and for the City of Hinton shall he fixed by the council by ordinance or by **resolution** of the council **.appointing** such city manager **or** clerks, **payable monthly** out of the city treasury : ***Provided, however,*** That the salary of any such. clerical assistants **and** the salary of the recorder shall not exceed the sum of thirty-five dollars per month for any such appointee. The salary of the chief of police and all regular police officers, the city attorney, commissioner of health, and all other regular city officers and employees **provided** for by ordinance, or by order of the council, shall be fixed by the council at the time of, and in order or resolution appointing such officers or employees, and shall be paid monthly out of the city treasury: *Provided,* That there shall he deducted from the salary of each of the councilmen five per cent of the annual salary so designated by the council, for each regular meeting of the council that such member of the council fails to attend. The salary, fees and compensation of all police officers, and any other special officer of the city, **appointed** by the mayor and the council shall be fixed and determined by the council, and any such special officer so appointed, who is not paid a regular salary, shall not be en-

titled to receive for his services any fees derived under the fee system, which is provided by statute to be paid to constables for like services, but that any special officer so appointed must be placed on a regular salary so determined by the three-fifths vote of the mayor and council. (Acts 1935, clt. 13L)

Sec. 17. Action by council upon election of ineligible penon or failure of person elected to qualify.

If any person elected to any office shall not be eligible thereto under the provisions of this act, **or shall fail to qualify as** herein required, the council shall declare his said office **vacant** and proceed to fill the vacancy as required by this act.

Sec. 18. Council to fill vacancies in office.

Whenever a vacancy for any **cause shall occur in the office** of mayor or member of the council of said city, the mayor and remaining members of the council, or in a case of a **va**cancy in the office of mayor, the members of the council of the said city, shall fill said vacancy by electing a mayor or such member of the council to fill **the office or offices for and** during the term of such officer.

In case of a vacancy in the office of the city manager, recorder or any other appointive officer of said city, the council shall at its next regular meeting, or at a special meeting called for the purpose, fill such vacancy in the same manner as such officer was originally appointed or elected by the council. (Acts 1935, ch. 131.)

Sec. 19. Removal of elective officers for cause; removal of appointive officers with or without cause.

The mayor or any member of the council may be removed from office by the council for intemperance, gross immorality, gambling, malfeasance, misfeasance or nonfeasance in office, inability to act, refusal or neglect to perform the duties of

their respective officer imposed by this act, upon being served with a notice in writing of the charges preferred against such officer at a regular meeting of said council, or a special meeting called for the purpose, followed by a hearing to be had on said charges not earlier than five days after the service of said notice in writing on such officer so sought to be removed, and it shall require an affirmative vote of a majority of all the members elected to the council to remove *such* officer from the office to which he shall have been elected. Any appointed officer who holds his office at the pleasure of the council may be removed from the office with or without cause, at any time by a like vote of the council. (Acts 1935, ch. 131.)

Sec. 20. Time and place of meeting of council; compelling attendance of members; meeting open to public.

The regular meetings of the council shall be publicly held at such times and at *such* places in the city as it shall from time to time ordain and appoint: *Provided,* That at the first meeting of the council under *this* act, it shall provide by ordinance or resolution entered of record the time and place of regular meetings of the council during the term of office, and after each city election the new council elected shall at its first meeting, by like order or resolution, fix the time and place for the regular meetings of the council during its term: *Provided, further,* That at no time shall a place be so designated for a meeting of the council, either regular or special,- to be held at a place other than in the property which is owned by the city. It shall be lawful for the council, by ordinance or resolution entered of record, to vest in the mayor, or any member or members of the city council, the authority to call special meetings and to prescribe the mode and manner of the giving of notice to the members of the council of the times and places of such special meetings. If a quorum of the members of the council fail to attend any regular or special meeting, those *in* attedance shall have authority to compel the attendance of the absent members under such reasonable pen-

alty as may be provided by ordinance. The council shall provide for at least one regular meeting of the council in each month, and such other regular meetings as it deems necessary. In no event shall any meeting, either regular, special or executive be closed to the public. (Acts 1935, ch. 131.)

Sec. 21. Mayor and three members constitute quorum of council.

The presence of the mayor or the president of the council, and three other members of the council shall be necessary to constitute a quorum for the transaction of business at all meetings of the council of said city. (Acts 1935, ch. 131.)

Sec 22. Presiding officer to have one vote; when majority of all members elected required.

The mayor, or in his absence, the president of the council, shall preside at the meetings of said council, and shall have a vote on all matters before the council for consideration, the same as any member of the council, but in no event shall the said mayor or presiding officer have power and authority to cast the deciding vote on any matter where he has voted as a member of the council: *Provided,* That it shall require the affirmative vote of a majority of all the members elected to the council to appoint or remove any officer and to pass any ordinance, franchise, resolution for bond issues or other matters required by this act. (Acts 1935, ch. 131.)

Sec. 23. Selection of president of council; duties and powers.

At the first meeting of the city council provided for by this act, the council shall elect one of its members as president of the council, who shall hold such office during the term of said council, and who shall be ex-officio vice-mayor of the said city. In case of temporary absence of the mayor from the city or his inability to act from any cause, or during any vacancy in the office of mayor, the said president of the council shall

preside over the council and perform the duties of the mayor; and, in addition to presiding over said council, he is hereby vested with all the powers necessary for *the* performance of the duties of the mayor of said city while acting as such mayor, including the authority of the mayor pertaining to civil and criminal jurisdiction, and shall perform *such* other duties as may be required of him by the council.

All acts and parts of acts inconsistent with the provisions of this act are hereby repealed. (Acts 1935, ch. 131.)

Sec. 24. Corporate powers.

The common council of said city shall have and is hereby granted power :

(1) Survey. To have the city surveyed.

(2) Opening, maintenance, etc., of streets, squares, and sewers, etc.; special assessment therefor. To lay out, open, vacate, straighten, broaden, change grade of, grade, regrade, curb, widen, narrow, repair, pave and repave, streets, alleys, roads, squares, steps, sidewalks and gutters for public use, and to alter, improve, embellish and ornament and light the same, and to construct and maintain public sewers and laterals, and shall in all cases have power and authority to **assess** upon, and collect from the property benefited thereby such parts of the expense thereof as shall be fixed by ordinance, except as hereinafter provided.

(3) Regulation of use of streets; obstructions, pollution, litter. To have control of all streets, avenues, roads, alleys and grounds for public use in said city, and to regulate the use thereof, and driving thereon, and to have the same kept in good order and free from obstruction, pollution or litter on or over them.

(4) Bridges. To have the right to control all bridges within said city and the traffic thereover.

(5) Street names and premise numbers. To change the name of any street, avenue or road within said city, and regulate and cause the numbering and renumbering of houses on

any street, avenue or road therein; to provide for and regulate the naming of streets, avenues and public places.

(6) Regulation of width of streets. To regulate and determine the width of streets, sidewalks, roads and alleys.

(7) Curbing, paving and repair of sidewalks; duty to clean sidewalks. To *order* and direct the curbing, re-curbing, paving, repaving and repairing of sidewalks and footways for public use in said city, to be done and kept clean and in good order by the owners of adjacent property.

(8) Abuse of animals. To prohibit and punish the abuse of animals.

(9) Vagrants, beggars, prostitutes, etc. To restrain and punish vagrants, mendicants, beggars, tramps, prostitutes, drunken or disorderly persons within the city, and to provide for their arrest and manner of punishment.

(10) Bringing person or animal infected with contagious disease into the city. To prohibit by ordinance the bringing into the city any person or animal afflicted with **contagious** or infectious diseases, and to punish any **violator** of said ordinance who knows or has reason to believe such person or animal to be so afflicted.

(11) Houses of ill-fame and gaming ***houses; gambling.*** To control and suppress-disorderly houses, houses of prostitution or ill-fame, houses of assignation and gaming houses, or any part thereof, and to punish those **engaged in gambling.**

(12) Slaughterhouses and other offensive establishments. To prohibit within said city, or within two miles thereof, slaughter houses, soap or glue factories and houses and places of like kind, and any other thing or business dangerous, unwholesome, unhealthy, offensive, indecent or dangerous to life, health, peace or property.

(13) Entrance into and examination of premises. To provide for the entry into, and the examination of, all dwellings, lots, yards, enclosures, buildings and structures, automobiles, vehicles of every description, and to ascertain their condition for health, cleanliness or safety.

(14) Walls, fences, fireplaces, smokestacks and stovepipes. To regulate the building and maintenance of party walls, partion fences or lines, fire walls, fire places, boilers, smoke stacks and stovepipes.

(15) Construction, inspection and repair of buildings, bridges sewers, etc. To provide for and regulate the safe construction, inspection and repair of all public and private buildings, bridges, basements, culverts, sewers or other buildings or structures of any description.

(16) Removal or repair of dangerous walls or structures. To take down and remove, or make safe and secure, any and all buildings. walls, structures or superstructures at the expense of the owners thereof, that are, or may become dangerous, or to require the owners or their agents, to take down and remove them, or put them in a safe condition, at their own expense.

(17) Erection of buildings. To regulate, restrain or prohibit the erection of wooden or other buildings within the city. .

(18) Building regulations. To regulate the height, construction and inspection of all new buildings hereafter erected, and the alteration and repair of any buildings already erected, or hereafter erected in said city, and to require permits to be obtained for such buildings and structures and plans and specifications thereof to be first submitted to the building inspector.

(19) Projections. To regulate the limit within which it shall be lawful to erect any steps, porticos, bay windows, bow windows, show windows, awnings, signs, columns, piers or other projection or structural ornaments of any kind for the houses or buildings fronting on any street of said city.

(20) Fire limits; regulations as to fire. To establish fire limits and to provide the kind of buildings and structures that may be erected therein, and to enforce all needful rules and regulations to guard against fire and danger therefrom.

(21) Fire escapes. To require, regulate and control the construction of fire escapes for any buildings or other structures in said ctiy.

(22) Opening and construction of ditches, drains, sewers, cesspools and gutters. To control the opening and construction of ditches, drains, sewers, cesspools and gutters, and to deepen, widen and clear the same of stagnant water or filth, and to prevent obstruction therein, and to fill, close or abolish the same, and to determine at whose expense the same shall be done.

(23) Fire and police stations, police courts, jails and cineratars, etc. And to build and maintain fire station houses, crematories, incinerators, jails, lockups and other buildings, police stations and police courts, and to regulate the management thereof.

(24) Public grounds, markets, hospitals, libraries, educational and charitable institutions and other city buildings. To acquire, establish, lay off, appropriate, regulate, maintain and control public grounds, squares and parks, hospitals, market houses, city buildings, libraries and other educational or charitable institutions either within or without the city limits.

(25) Eminent domain. And when the council determines that any real estate in or out of the city is necessary to be acquired by said city for any such purpoees, or for any public purpose, or is necessary in the exercise of its powers herein granted, the power of- eminent domain is hereby conferred upon said city, and it shall have the right to institute condemnation proceedings against the owner thereof in the same manner, to the same extent and upon the same conditions as such power is conferred upon public corporations by chapter forty-two of Barnes' code of West Virginia,[5] of the edition • of one thousand nine hundred and twenty-three, and as now, or may hereafter be amended.

(26) Purchase and sale, etc., of public buildings and real estate. To purchase, sell, lease or contract for, and take care of all public buildings and structures, and real estate deemed proper for the use of the said city.

[6] Chapter 54 of Michie's Code of West Virginia of 1943.

(27) Removal of unsafe walls and structures; excavations. And for the protection of the public, to cause the removal of unsafe walls, structures or buildings and the filling of excavations.

(28) Prevention of nuisances. *To* prevent injury or annoyance to the business of individuals from anything dangerous, offensive or unwholesome.

(29) Abatement of nuisances. *To* abate or cause to be abated all nuisances, and to that end and thereabout to summon witnesses, to hear testimony.

(30) Gunpowder, combustible and dangerous articles. *To* regulate or prohibit the keeping of gunpowder and other combustible or dangerous articles within the city limits.

(31) Explosives, firecrackers, fireworks; dangerous or annoying noises or performances. To regulate, restrain or prohibit the use of firecrackers or other explosives or fireworks, and all noises or performances which may be dangerous or annoying to persons, or tend to frighten horses or other animals.

(32) Cemeteries and burial. To provide and maintain proper places for the burial of the dead, in or out of the city, and to regulate interments therein upon such terms and conditions as to price and otherwise as may be determined.

(33) Trees, shrubs, etc. *To* provide for shade and ornamental trees, shrubbery, grass, flowers and other ornamentation, and the protection of the same.

(34) Provision for poor. *To* provide for the poor of the city, and to that end may contract with the proper authorities of Summers county to keep and maintain the poor, or any number thereof, upon terms to be agreed upon; *provided, however,* that the said City of Hinton shall not keep or maintain the paupers of said city until such time as the county court of Summers county shall relieve the said city from the payment of all taxes for the support of the paupers residing outside of the corporate limits of said city.

(35) Traffic regulations. To make suitable and proper regulations in regard to the use of the streets, public places,

sidewalks and alleys by street cars, foot passengers, animals, vehicles, motors, automobiles, traction engines, railroad engines and cars, to regulate the running and operation of the same so as to prevent obstruction thereon, encroachments thereon, or injury, inconvenience or annoyance to the public.

(36) Prize fighting; cock fighting and dog fighting. To prohibit prize fighting, cock and dog fighting.

(37) License taxes. To license, tax, regulate or prohibit theaters, moving pictures, circuses, the exhibition of showmen and shows of any kind, and the exhibition of natural or artificial curiosities, caravans, menageries and musical exhibitions and performances and other things or business on which the states does, or may, exact a license tax.

(38) Fire department and apparatus, regulations as to danger from the elements, of plumbing and wiring, airships and wireless stations, etc. To organize and maintain paid fire companies and departments, and to provide necessary apparatus, engines and implements for the same; and to regulate all matters pertaining to the prevention and extinguishment of fires; and to make proper regulations for guarding against danger and damage from fires, water or other elements, to regulate and control the kind and manner of plumbing and electric wiring, airships, ballons, wireless stations and other appliances for the protection of the health and safety of said city.

(39) Tax levies. To levy taxes on persons, property and licenses.

(40) Licensing and regulation of animals and fowl; impounding. To license and tax dogs and other animals, and regulate, restrain and prohibit them, and all other animals and fowls running at large and as one means of prevention to provide for impounding thereof, and upon failure. of the owner to reclaim such fowls and animals to make such sale thereof at the expense of the owner.

(41) Revenue and appropriations. To provide revenue for the city and to appropriate the same to its expenses.

(42) Rules for transacting business. To adopt rules for the transaction of business for its own regulation and government.

(43) General welfare; protection of persons and property. To promote the general welfare of the city, and to protect the persons and property of the citizens therein.

(44) Weights; signs, billboards, etc. To regulate and provide for the weighing of produce and other articles sold in said city, and placing of signs, billboards, posters and advertisements in, on or along the streets, alleys and public places.

(45) Licenses for carrying on business. To have the sole and exclusive right to grant, refuse or revoke any and all licenses for the carrying on of any business within said city on which the state exacts, or may exact, a license tax.

(46) Markets. To establish and regulate markets and to prescribe the time for holding the same, and what shall be sold in such market, and to let stalls or apartments and replate the same, and to acquire and hold property for market purposes.

(47) Signs, billboards, etc. To regulate the placing of signs, billboards, posters and advertisements in, or over the streets, alleys, sidewalks and public grounds of said city.

(48) Preservation of safety and health; drugs. To preserve and protect the order and safety and health of the city and its inhabitants, including the right to regulate the sale and use of cocaine, morphine, opium and poisonous or dangerous drugs.

(49) Weapons. To prohibit the carrying of concealed or dangerous weapons within the corporate limits of said city.

(50) Drunkenness. To punish drunkeness.

(51) Gambling. To prevent gambling.

(52) Preservation of morals and decency. To prohibit anything against good morals and common decency, and fix punishment therefor.

(53) Observance of Sunday. To prevent the desecration of the Sabbath day.

(54) Profanity. To prohibit profane swearing.

(55) Intoxicants. To prohibit the illegal sale of intoxicating drinks, mixtures or preparations.

(56) City elections. To appoint and fix the place of holding elections.

(57) Gas, electric light or waterworks. To erect, own, lease and authorize or prohibit the erection of gas works, electric light works, or water works, in or near the city, and to operate or to regulate the operation of the same, and sell the products or services thereof, and to do any and all things necessary and incidental to the conduct of such business.

(58) Purety of food and drink. To provide for the purity of water, milk, meats and provisions offered for sale in said city, and to that end provide for a system of inspecting same and making and enforcing rules for the regulation of their sale, and to prohibit the sale of unwholesome or tainted milks, meats, fish, fruits, vegetables, or the sale of milk containing water or other things not constituting a part of pure milk.

(59) Inspection of dairies and ***slaughterhouses.*** *To provide* for inspecting dairies and slaughterhouses, whether in or outside of the city, where the milk and meat therefrom are offered for sale within said city.

(60) Articles ***deemed*** *unwholesome.* And **to prohibit the** sale of any article deemed unwholesome, and to condemn the same or destroy or abate it as a nuisance.

(61) Public processions. To provide for the regulation of public processions so as to prevent interference with public traffic, and to promote the good order of the city.

(62) Ordinances and rules for protecting health, property, morality, etc. To prescribe and enforce ordinances and rules for the purpose of protecting the health, property, lives, decency, morality, cleanliness and good order of the city and its inhabitants.

(63) Divine worship. And to protect places of divine worship in and about the premises where held.

(64) Punishment for violation of ordinance. And to punish violations of all ordinances even if the offense under and against the same shall also constitute offense under the laws of the state of West Virginia or the common law.

(65) Employment of those committed in default of payment of fine. To provide for the employment and safe keeping of persons who may be committed in default of the payment of fines, penalties and costs under this act, **who** are otherwise unable, or fail, to discharge the same, by putting them to work for the benefit of the city, upon the streets or other places, in or out of the city provided by said city, and to use such means to prevent their escape while at work as the council may deem expedient, and the council may fix a reasonable rate per day as wages to be allowed such person until the fine and costs against him are thereby discharged.

***(66) Attendance** at public meetings of council members.* To compel the attendance at public meetings of the members of the **council.**

***(67) Rights,** privileges and powers under **Code** of **West** Virginia.* To have and exercise such additional rights, privileges and powers as are granted to municipalities by chapter forty-seven of the code of West Virginia, as amended!'

(68) Territorial jurisdiction. For all such purposes, except that of taxation, and for purposes otherwise limited by this act, the council shall **have** jurisdiction, when **necessary,** for one mile beyond the corporate limits of said city.

*(69) **Franchises.*** To grant and, regulate all franchises in, upon, under and over the streets, alleys and public ways of said city, under such restrictions as are contained herein, or shall be provided by ordinance, but no exclusive franchises shall be granted by said council to any **individual** or corporation, nor shall any franchise be granted for **a** longer period than fifty years.

*(70) **For-hire** vehicles.* To regulate licenses and restrict the **use** of motor buses, automobiles, carriages, drays and **wag-**

e Sections 453 to 510 of Michie's West Virginia Code of 1943.

,ms upon the streets, alleys and public grounds of said city, when same are being used for hire and reward.

(71) Public markets. And the council shall have the right to estabish, construct and maintain public markets on the grounds which do, or shall, belong to said city, or which it shall acquire, by purchase, *or* otherwise, and to sell, lease, repair, alter or remove any public markets or buildings which have been, or shall be, so constructed, and to preserve and protect the peace and good order at the said markets, and regulate the manner in which they shall be used.

(72) Adoption and enforcement of ordinances, etc.; imposition of fines and penalties. To carry into effect these enumerated powers and all *other* powers conferred upon said city expressly or by implication in this and other acts of the legislature, the council of said city shall have *the* power, in the manner herein prescribed to adopt and enforce all needful orders, rules and ordinances not contrary to the laws and constitution of this state; and to prescribe, impose and enforce reasonable fines and penalties, including imprisonment in the city lock-up, jail or station house, and to work **prisoners** found **guilty** as the council may prescribe, and market **the products** of **such** labor, and with the consent of the **county court** of Summers **county** entered of record, **shall have** the right to use the jail of said county for any purposes necessary to the administration of its affairs. The council shall have the authority to pass all ordinances not repugnant to the constitution and laws of the United States and of this state, which shall be necessary and proper to carry into full effect the power, authority, capacity, and jurisdiction which is or shall be granted to or vested in the said city, or in the council, or in any officer or body of officers of said city, and to enforce any and all of the ordinances by reasonable fines and penalties, and upon the failure to pay any fine or penalty imposed, may compel the offender to labor without compensation at or upon any of the public works or imrovements undertaken, or to be undertaken, by said city, or to labor at any work which the

said council may lawfully employ labor upon, at such reasonable *rates per diem* as the council may fix, until any fines, or fines and cost, upon any offender of said city have been fully paid and discharged after deducting reasonable charges of support while in the custody of the officers of the city; *provided,* that upon conviction and imposition of penalty under such ordinance, no further prosecution shall be had in any of the courts of the state for the same offense.

(73) Waterworks. In addition to the powers above enumerated, the said city council shall have the power to build, construct, maintain and operate a sufficient water system and water works, as may be necessary for the proper supply of water to the inhabitants of said city, for public and private use, and said city shall have the power to purchase or condemn any water works now in the said city, or hereafter placed therein by any party other than the said city, wherever the council of said city shall deem proper, and such order shall have been ratified by a vote of the qualified voters of said city, at an election called for that purpose, with due notice, and at least two-thirds of the votes cast at said election shall vote for the ratification of said council to purchase or condemn said water works; and the said city shall have the power to enlarge the said water works, if so purchased or condemned, by putting additional reservoirs either within or out of said city; and the said city shall have the right, if its council shall deem proper, and the order of said council be ratified by a vote as aforesaid, to build, construct, maintain and to operate such water works in the said city as may be deemed proper without the purchase or acquisition of any water works then in said city, and the said city shall have the right to lay pipes and mains for the proper distribution of said water, either in or out of said city, as shall be necessary for the proper distribution of the same, and for that purpose may acquire by lease, purchase or condemnation all such lands as shall be necessary, either within or without the said city, or they may contract for such work to be done, in either event to supply an adequate supply of pure, healthful water for said city, and to do

all things necessary to supply said city and inhabitants thereof, with water as aforesaid.

(74) Electric light plant. And the said city may acquire by purchase or condemnation any electric light plant now in said city or hereinafter placed therein by any party other than said city, and shall have the right to build, construct, maintain and operate such plant for the furnishing of electricity for said city, and for the inhabitants thereof, but no electric light plant shall be purchased, condemned or built or operated, unless voted on by the qualified voters of the said city, at an election called and held as aforesaid, and the same be ratified by a two-thirds vote of all votes cast at said election.

(75) Poolrooms, ping-pong boards and vending machines. The council shall have authority to license, regulate and control the operation of any pool room, ping-gong boards, gum-vending machines, or machines of like kind and character, and shall have the power to prohibit the operation of the same, within the territorial limits of the City of Hinton, and no state license granted by any authority for the operation of such pool rooms, ping-pong boards, gum-vending machines, or machines of like kind and character, shall authorize the holder of such license to operate the same within the territorial limits of said city.

Sec. 25. Powers and duties of the mayor.

The mayor of said city shall be chairman of its council, shall preside at all meetings of the council, and shall also be a conservator of the peace within the said city. He shall especially see that the orders, by-laws, ordinances, acts and resolutions of the council are faithfully executed. He shall be *ex-oficio* justice of the peace within the said city and shall,

For case declaring this subsection to be declaratory of the general law and holding that the governing body of a city may maintain a policy of rejecting all applications for poolroom licenses, see State, ex rel. Baylor v. City of Hinton et al., 109 W. Va. 653, 155 S. E. 912.

within the same, have, possess and exercise all the powers and perform all the duties vested by law in a justice of the peace, except he shall have no jurisdiction in civil causes of action arising out of the corporate limits of the city, unless the defendant resides or is found therein and process therein served upon him. He shall have the same power to issue attachments in civil suits as a justice of the peace of his county; but in such case, he shall have no power to try the same, but such attachments shall be made returnable and heard before a justice of the peace of his country. Any warrant issued by him, or other process, may be executed at any place in Summers county. He shall have control of the police of said city, and may appoint special police officers, whenever he may deem it necessary, and may suspend any police officer of the city until the next regular meeting of the council. And it shall be his duty especially to see that the peace and good order of the city are preserved, and that persons and property therein are **protected,** and to this end he may arrest or **cause the arrest** and **detention** of all violators of the laws of this state **and ordinances** of the city, before issuing his warrant therefor, if the offense is committed in his presence. He shall **have** power to issue his **warrant** *for* the arrest and apprehension of all persons **violating** the ordinances of the city, and **shall have power** to try the **same** and impose **upon** such **violators of** the **ordinances** of said city such fines and penalties as are prescribed by the ordinances thereof. He shall have the power to issue executions for all fines, penalties and costs imposed by him, or he may require the immediate payment thereof, and in default *of such* payment, he may commit the party in default to the jail of said county, or *other* place of imprisonment used by such corporation, if there be one, until the fine or penalty and costs are paid. And in all cases *where a person is* sentenced to imprisonment or to the payment of a fine of ten dollars or more (and in no case shall a judgment for a fine be for less than ten dolars, if the defendant, his agent or attorney object to a less fine being imposed) such person shall be allowed an appeal *from* such decision to the circuit court

of the county of Summers, upon the execution of an appeal bond with a security deemed sufficient by said mayor to cover the fine and costs and the cost in the circuit court in case said judgment be affirmed, with condition that the person proposing to appeal, shall make his personal appearance before the circuit court of Summers county and will perform and satisfy any judgment which may be rendered against him by the circuit court on such appeal. *If such* appeal be taken, the warrant of arrest, if any, a transcript of the judgment, *the* appeal bond and other papers *in the case* shall forthwith be delivered by the said mayor to the clerk of said court, and the said court shall proceed to try the case as upon an indictment or presentment and render such judgment, including costs, as the law and evidence may require. The expense of maintaining any person committed to jail as hereinbefore set forth by the mayor, except it be to answer an indictment shall be paid by the said city and taxed as costs against the defendant. He shall from time to time recommend to the council such measures as he may deem useful and needful for the welfare of the city.

For his services as mayor, he shall receive the sum of nine hundred dollars per year, or such other sum as the council may fix, to be paid out of the city treasury in monthly installments, and such fees as may be collected in the trial of *cases* by him, as such mayor and ex-officio justice of the peace; and for his services in trying such cases, whether civil, criminal or infractions against ordinances, the mayor shall be entitled to charge and collect such fees as are paid to justices of the peace for similar services. And in all such cases, the chief of police, or other officer performing the service shall be entitled to receive such fees as are paid to constables for similar service ; *provided, further,* that the fee for making any arrest shall be one dollar, whether such arrest is made by the chief of police or other officer, *provided, however,* that all such fees as police officers for service of processes, making arrests in case such police *officer is* a salaried police officer of the city, shall be collected as part of the costs and paid into the treasury of the

city, but in event such police officer making such arrest or serving papers, shall be a special policeman and not drawing a regular salary, such fees, when collected, shall be paid over to the officer. All fees collected by the mayor as costs in criminal cases, and for violation of officers, shall be paid into the city treasury.

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

There shall also be kept in the mayor's office a well bound book, properly indexed, to be denominated "mayor's civil docket," in which shall be kept the record of all civil trials, and suits on civil claims tried by the mayor, as *ex-o jieio* justice of the peace, in which shall be recorded all judgments, attachments and proceedings thereon, in the same manner as required to be kept by a justice of the peace.

The mayor shall be the chief executive officer of the city and shall take care that 'the orders, by-laws, ordinances, acts and resolutions of the council thereof are faithfully executed except insofar as such duties may conflict with the power and authority herein conferred by this act upon the city manager or that may hereafter be conferred by ordinance upon the city manager. The mayor shall have full power and authority to enforce all penal laws, ordinances and resolutions passed by the council, or conferred upon mayors of cities, towns and villages by the general law of the state, and the council shall have no authority by ordinance or otherwise to confer such powers upon the city manager.

Sec. 26. City manager. Repealed by Acts, 1935, ch. 131.

Sec. 27. Powers and duties *of* police *officers.*

It shall be the duty of the chief of police and other police officers of the city to preserve order through the city, and to enforce all ordinances of the city and penal laws of the state within the territorial limits of said city, where the general law of the state requires and provides for the enforcement of such laws by city police officers.

The said police officers shall have power, rights and privileges within the corporate limits of said city in regard to the arrest of persons, the collection of claims and the execution and return of process that can be legally exercised by a constable of a district within this state; and may without having any warrant or other process therefor, arrest any person who commits any offense against the laws of this state or infraction of the ordinances of said city, in his presence. The chief of police shall be ex-officio the keeper of the city jail, and have charge of the city prisoners confined therein, and may confine any person arrested by him, or other police officer of the city, in the city jail until such time as the charge against such person can be inquired into by the mayor. Any person fined by the mayor for infraction of any of *the* ordinances of the city, may pay such fine to either the mayor or the chief of police, and the said police and their sureties shall be liable for all fines, penalties and forfeitures that a constable of a district is liable for in the same court that the said fine, penalties and forfeitures are now recovered against a district constable. For his services as police, each regular police officer of the city shall receive a salary to be fixed by the council, payable out of the city treasurer, and no other fees, commissions, emoluments, salaries or compensations whatsoever shall be allowed to him for such services. All fees, which but for this act, he would be entitled to recover and retain, shall nevertheless be charged and collected by him and paid into the city treasury at the end of each month for the use and

benefit of the city. The chief of police, and all regular police officers of said city shall be appointed to his office by the council.

Sec. 28. Powers and duties of city attorney.

The city attorney shall be the legal advisor of the city and all its officers in all matters arising and in which legal proceeding may be taken ; he shall prosecute all suits, actions and proceedings instituted on behalf of said city; and defend all suits and actions against said city, and when requested in writing, **shall give** his written opinion to the **mayor** or council or any standing committee thereof upon such legal questions as may be referred to him affecting the city's interest; he shall perform such other duties as may be required by the council. It shall be his duty to attend the sessions of the council when requested and prosecute all trials before the mayor and all appeals that are taken from such mayor to the criminal or circuit court, and for his services he shall receive such **compensation** as the council shall provide, and in addition thereto in all criminal prosecutions conducted by said city attorney, where there is a conviction of the defendant, there **shall be taxed an** attorney's fee in favor of said city attorney, not less than five nor more than ten dollars, which said fee shall be taxed as a part of the costs of the case, and when collected, paid to said attorney.

Sec. 29. Board of health.

The council shall nominate for appointment, pursuant to state law, a suitable person, who shall be a practicing physician, as health commissioner. The mayor, health commissioner and city attorney are hereby constituted and shall be a city board of health. The board of health shall do and perform all such duties and exercise such powers as may be required or conferred upon it by legal ordinance of said city.

It shall be the duty of such board of health to recommend to the council such ordinances for the protection of the health

of the city as it may deem necessary and proper. The city health officer shall be paid a salary to be fixed by the council of not less than three hundred and fifty dollars a year.

The board of health shall have the power to summon witnesses, hear testimony and to do any and all other things necessary and proper in the performance of its duties under this act, and under the general laws of the state, in such cases made and provided.

Sec. 30. Nuisances.

The council of said city shall have authority to abate and remove all nuisances in said city. It may compel the owners, agents, assignees, occupants, or tenants of any lot, premises, property, building or structure upon or in which any nuisance may be, to abate and remove the same by orders therefor, and by ordinance provide a penalty for the violation of such orders.

Said council may also, by its own officers, appointees and employees, abate and remove nuisances, including all obstructions on the streets and alleys of said city. It may by ordinance regulate the location, construction, repair, use, emptying, and cleaning all water closets privies, cesspools, sinks, plumbing, drains, yards, lots, areaways, stables and other places where offensive, unsightly, unwholesome, objectionable or dangerous substances or liquids are, or may accumulate, and provide suitable penalties for violations of such regulations, which may be enforced against the owners, agents, assignee, occupant, or tenant of any premises or structure where such violation may occur.

If the owner, agent, tenant, assignee or occupant of any such premises, lot, property, building or structure as is mentioned herein, fails to comply with the provisions of any such ordinance and the regulations herein contained, the said council may have said nuisance abated or the provisions of said ordinance or ordinances carried out, after reasonable notice to said owner, occupant, tenant, agent or assignee, of its intention so to do, and collect the expenses thereof, with one

per centum per month interest added from the date of said notice, from the said owner, occupant, tenant, agent or assignee, by distress or sale, in the same manner in which taxes levied upon real estate for the benefit of said city are herein authorized to be collected, and the expense shall remain a lien upon the said lot, or part of lot, the same as taxes levied upon real estate in said city; which lien may be enforced by a suit in equity by any court having jurisdiction as other liens against real estate are enforced. In case of non-resident owners of real estate, such notice may be served upon any tenant, occupant, assignee, or rental agent, or by publication thereof once a week for not less than two consecutive weeks in some newspaper of general circulation in said city.

And in all cases where any tenant, occupant or agent is required to abate and remove any nuisance under the provisions of said section, or comply with the provisions of such ordinance as is mentioned herein, the expense thereof may be deducted from the accruing or accrued rent of said property, or amount due said owner from said agent, and such tenant, occupant, or agent may recover the amount so paid from the owner, unless otherwise especially agreed upon.

Any expense incurred by the council as herein provided in the manner aforesaid, may be collected in the manner herein provided, notwithstanding the imposition of any other penalty or penalties upon any of the persons named herein, under any of the provisions of this act. The abatement or removal of any such nuisance by the council, at the expense of said city, as herein provided, shall be *prima facie* proof that the said notice to the owner, occupant, tenant, agent, or assignee, was given as herein prescribed.

Sec. 31. Taxation.

The council shall be governed in all respects in making estimates for and laying the annual levy or any additional levy or special levy for city purposes, by the general laws of the state in force at the time of making such estimates and laying

such levies relating to taxation for municipal purposes, except that they may include a poll tax of not exceeding one dollar each year upon each able bodied man therein, who is above the age of twenty-one years and not over fifty years of age, which poll tax shall be used exclusively for opening, improving, and maintainind roads, streets, and alleys of the city, and shall designate the same as the street taxes; and the said council may also impose such license tax upon dogs and other animals as they may deem proper, and collect the same from the owners of such animals, as other taxes are collected, and prescribe such rules, regulations and penalties governing the payment of such tax on animals as they may deem reasonable. And the general annual levy upon the taxable property within the corporate limits of said city shall not exceed the sum of fifty cents upon each one hundred dollars of valuation. But in addition to said levies above mentioned, and in addition to any levies provided by the general law, with which these are not meant to conflict, the council of said city, beginning with the year, of one thousand nine hundred and twenty-seven, are empowered to and shall lay a special annual levy of not to exceed fifteen cents on each one hundred dollars valuation of the property in said city for the purpose of creating a sinking fund with which to pay off the principal of the present outstanding bonded indebtedness of the City of Hinton, and the City of Avis, when the same becomes due, and for the purpose of paying annually, when due, the interest coupons of the said present outstanding bonded indebtedness of said city, which said special levy shall be continued annually by the council for as many years as may be necessary to pay off said outstanding bonded indebtedness, and the interest coupons that may become due thereon but no longer.

Sec. 32. Liens; delinquent taxes.

There shall be a lien on all real estate within said city for taxes assessed thereon, and for all fines and penalties assessed against or imposed upon the owners thereof, by the authorities

of said city, including expenses of making, maintaining and repairing, paving and macadamizing sidewalks, drains, gutters and streets from the time the same are so assessed or imposed, *which* shall have priority over all other liens except taxes due the United States, and the lien for the taxes due the state, county and district, and such lien may be enforced by the council in the manner provided by law for the enforcement for the lien of county taxes. And the laws of the state of West Virginia in relation to delinquent taxes, and the sale of **property** therfor, are hereby, and in all respects, adopted as to all proceedings in relation to taxes for city purposes delinquent in said city, including the recordation of the delinquent list in the county clerk's office of Summers county, each year. And the powers and duties conferred by the laws of said state upon county courts and their clerks and sheriffs in regard to delinquent taxes and their collection, are hereby in all things conferred upon said city council, its recorder and other city officials, whose duties are of a similar nature as those of said county officials, insofar as the same may be directed or by implication applicable in the collection of delinquent taxes due said city.

Sec. 33. Licenses.

The council shall prescribe by ordinance the time and manner in which licenses of all kinds shall be applied for and granted, and shall require the payment of the tax thereon to the city **manager** before the **delivery thereof** to **the** person **applying therefor**, which tax **shall** include the same fees for the issuing of such licenses as are charged for similar services by state and county officers, which fees shall be paid into the city treasury. The council may revoke any such license for the breach of any of the conditions, or for other good cause shown by the person holding such license, who mutt first have reasonable notice of the time, and place of hearing and adjudicating the matter, as well as the cause alleged, and shall be entitled to be heard in person by the council in opposition to such a

revocation. The term for which license provided for in this charter be granted shall be governed by the general law providing for state licenses.

Sec. 34. Condemnation.

The council shall have the right to institute and prosecute proceedings in the name of the city for condemnation of real estate for streets, alleys, roads, drains, sewers, market grounds, city prison, city hall, water works, electric light plant or other works, or purposes for public utility. Such proceedings shall conform to the provisions of chapter forty-two of the code of West Virginia,[5a] and the expenses thereof shall be borne by the city, except in cases where it is proper under said chapter to charge said expenses or any part thereof against the defendant.

Sec. 35. Deposit and disbursement of funds.

All moneys belonging to the city shall be paid over to the city manager, as treasurer, each month, and be deposited in bank to the credit of said city, and shall not be disbursed except upon order of the council, and by drafts and orders issued by the city manager, and countersigned by the mayor.

Sec. 36. Audit.

The council may provide by ordinance for an audit of accounts, books and records of the city manager, or any officer of the city, whose duty it shall be to collect and pay over to the city manager any moneys, claims, demands or accounts due the city, at such time or times as it may deem necessary and proper so to do, and shall provide for the auditing of the accounts of the city manager upon his resignation or removal from office, or upon the election of a new city manager to take

[5a] Chapter 54 of Michie's West Virginia Code of 1943.

his place. All such auditors or auditing committees shall be appointed by the council, but the council may adopt in lieu thereof any audit made by the state auditor, tax commissioner, or their respective representatives.

Sec. 37. Grading, construction, maintenance and repair of sidewalks, drains, gutters and streets without petition of owners of abutting property.

The council shall have power, without petition of the owners of abutting property, to provide for the grading, construction, maintenance and repair of sidewalks, drains and gutters upon the streets of the city, and assess the expense of the construction, maintenance and repair of the same upon the property abutting thereon and the owners thereof, and collect the same in the same manner as other taxes and levies are collected, and shall have power without petition of the owners of abutting property, to grade macadamize and pave the streets of the said city, or any of them, and assess part of the expense of grading, macadamizing and paving not to exceed one-third thereof upon abuting property on each side thereof, and the owners thereof, and collect the same in the same manner as other taxes and levies are collected, and such assessments for sidewalks, drains, gutters, macadamizing and paving shall be a lien upon such abutting property, the same as other taxes and levies within said city upon the property therein. *Provided,* That nothing herein shall be construed to prevent the council from arranging for the construction of any such improvement, by agreement with the abutting property owners, if the council shall so desire and deem it advisable to do so.

Sec. 38. Construction, repair and maintenance of local improvements upon petition of owners.

The city council shall have power, upon the petition in writing of the owners of the greater amount of frontage of the lots abutting on any street or alley, or between any two cross

streets, or alleys, to provide for the construction, reconstruc-
on, repairing and maintenance of all local improvements, in-
:luding the grading, paving, sewering and otherwise permanently improving of streets and alleys of the city, and to provide for the assessment of the cost thereof, including all incidental expenses and the cost of intersections of streets, with interest payable annually, against the abutting or other speciallly benefited properties, according to their frontage, on either side of such street or alley, and against the owners thereof, upon the following conditions:

(a) Plan and resolution: The city council, when deemed expedient by it, shall cause plans, specifications, profiles and estimates of the proposed improvements by grading, paving, curbing, sewering or otherwise locally imroving any streets or alleys, to be made and filed in the office of the city manager, and shall by ordinance and resolution prescribe generally the location and character of the proposed improvement and refer to such plans, specifications, profiles and estimates.

(b) Notice and Hearing: The city council shall then cause notice thereof to be published once in some newspaper published in said city, fixing the date for a hearing thereon not less than one week after the adoption of such resolution. At the date stated in such resolution and notice, or any adjourned meeting, the city council shall hear objections to the proposed improvements, profiles and estimates not extending to any other street or part of street, and may pass or adopt a resolution or ordinance providing for such improvement, by direct employment of labor or by contract with the lowest responsible bidder, and for the assessment of the costs thereof of against the abutting or specially benefited properties on each side of said street or alley.

(c) Assessment, Docketing and Payment: The city council shall by resolution or ordinance, levy the assessment of the approved estimate of the cost of such improvement, including incidental expenses and intersections, upon the abutting or other specially benefited properties and against the owners thereof, in proportion to the frontage of such properties, des-

ignating the same by numbers, names of owners or other convenient description; and shall also assess against any street car or other railway company the cost of the improvement of the space between the rails of its track or tracks, and two feet additional outside of each rail (unless otherwise provided in the franchise therefor) ; and which assessments shall be liens upon the respective properties and upon the tracks and franchises of such company, for the distance of the improvement thereon, and said liens shall have priority over all other liens except taxes due the state. The said assessment shall be payable fifteen days after the levying thereof, unless the owners of such properties may elect to pay the same in ten annual installments as hereinafter provided; and, within thirty days after the levying thereof, the city recorder shall cause a memorandum of all unpaid assessments to be made, showing the names of the owners of such properties, descriptions of the properties, and the amounts of the assessments, respectively, and shall file the same in the office of the clerk of the county court of Summers county, for record in the deed of trust books therein ; such assessments, after said period of thirty days and before recordation of such memoranda, shall not be liens as against purchasers of such property for value and without notice. Upon payment thereof, releases shall be executed and recorded in the manner provided by law.

(d) Collateral Bonds: The city council shall at the option of the owner or owners of such properties, permit payment of one-tenth of the amount assessed against them, respectively, within said fifteen days, and issue and sell its notes and bonds, without vote of the electors of the city, in anticipation of the payment of such special assessments in annual installments as follows: One-tenth of such amount with interest on said one-tenth, at six per cent *per annum,* payable annually, in one year from the date of the levying of such assessment, and a like one-tenth, with interest as aforesaid, at the expiration of *each* succeeding year until the whole amount shall have been paid.

(e) Method of Improvement: The city council shall, after levying and collecting assessments and issuing its notes and

bonds as aforesaid, proceed with such local improvements according to the said approved plans, specifications, profiles, nd shall pay the cost thereof out of the special assessment fund accruing from such payment and the sale of its notes and bonds. *Provided,* That the assessments against any such street car or other railway company shall be deducted from the cost to be paid by the owners of the abutting lots.

(f) Rebates or Further Assessments: Upon the completion of any improvement, any excess above the actual cost of the improvement shall be refunded to the owners of the properties on the basis on which assessed, and in the event of a deficit in the assessment fund, the city council may by ordinance lay supplementary assessment on the basis of actual cost of the improvement which shall be made and collected as provided in the case of the original assessments for the improvement.

(g) Gas and Water Lines: The city council, before making any such local improvements, shall compel any person, firm or corporation having gas, water, telephone, street car or other public utility equipment on, in or under such street or alley under franchise therefor, to be moved, renewed, lowered or raised, and the gas or water lines or connections to be extended from the mains to the abutting properties, as directed, within ten days after notice to do so; and shall also cause the owner of properties abutting on said street or alley to install sewer connections at their expense, within ten days after notice to do so; and if the same be not done within said time, the work may be done by the city, and the cost thereof, with a penalty of ten per cent of the cost assessed against the owners of such franchise and against the said properties, respectively, for which said connections are made, which assessments shall be liens and may be collected as other taxes.

(h) Damages and Other Improvements: Whenever any street or alley of the city, or any part thereof, shall have been graded, sewered, or otherwise permanently improved by order of the city council, pursuant to the authority conferred on them by this section, by providing for an assessment of a part

of the costs thereof, as provided by this section, against abutting property and the owners thereof, it shall not be within the power of the said city council to thus charge the said property or the owners thereof, with any part of the cost of re-grading, re-paving, re-sewering or again permanently improving such street or alley, until after fifteen years from the completion of such grading, paving, sewering or otherwise permanently improving thereof. The city council shall, by ordinance, provide for the protection, preservation and use of any such local improvements and shall prescribe fines and penalties for damages or injuries thereto, for which the person or company causing such injury shall be liable; and no owner or owners of abutting properties shall be compelled to pay subsequent special assessments for the reconstruction, repair and maintenance of any curb, pavement, sewer or other local improvements so injured or damaged by any other person or corporation in violation of such ordinance.

Sec. 39. Bond issues.

The council of the said city shall have the right to bond the said city for the purpose of re-locating, widening, grading and paving the said streets, or for other permanent improvements, or for the purpose of taking up, paying off or refunding any already outstanding city bonds or items of indebtedness, whenever the council thereof may. deem the same necessary; but the aggregate indebtedness of the said city for all purposes shall never at any time exceed five *per centum* of the assessed valuation of the taxable property therein according to the last assessment next preceding said date. The council of said city shall provide a fund for the payment of the interest annually on the said indebtedness so created, and to pay the principal thereof within and not exceeding thirty-four years; *provided,* that no debt shall be contracted hereunder, unless all questions connected with the same be first submitted to a vote of the qualified voters of said city, and have received three-fifths of all the votes cast for and against the same.

Sec. 40. Indebtedness prohibited:

The council of said city shall not, at any time, or for any purpose, create any indebtedness against the said city except as provided in the next preceding section, exceeding the available assets of the said city for the current year, and if the said council shall create such indebtedness or issue orders on the city for an amount exceeding the amount of money collected for that year for said city from all sources, and the amount of money then in the treasury appropriated, the members of said council shall be severally and jointly liable for the payment of the excess of such indebtedness or orders over the amont of money applicable thereto and the same may be recovered in any court having jurisdiction thereof. Any councilman violating the provisions of this section shall be deemed guilty of malfeasance in office and may be removed as such councilman in pursuance of section fifteen of this act. *Provided, however,* This shall not be applicable to such members who have voted against said excess ; and, *provided further,* that the vote of each member of the council shall be recorded.

Sec. 41. Duty of city to maintain streets and roads; relief from district road levies.

The said city shall construct, conduct and maintain its own roads and streets, and by reason thereof shall not be required to pay any district road levies for the construction and maintenance of roads outside the city limits.

Sec. 42. Franchises.

Franchises shall be granted by the council allowing to persons or corporations for a limited time, such occupancy of the streets as may be necessary for works of public utility and service such as steam railway tracks, street railway tracks, poles and trolley wires, telephone and telegraph poles, wires and subways and gas and steam pipe lines, water, water lines and pipes. But no such franchise shall hereafter be granted except under the following restrictions:

(a) No ordinance, granting any franchise for the use of the streets, alleys or public grounds of the town, or for any of the purposes of public utility above mentioned, or for any other purpose of like nature, shall be passed unless it shall have been first proposed in the council, and notice of the object, nature and extent of the franchise shall have been published at least thirty days by the applicant, in some newspaper of general circulation, in the City of Hinton, before being acted upon, and shall have received a vote of the majority of the members of the council at a regular meeting after said publication. The votes thereon shall be taken by the ayes and nays, and the same entered upon the journal.

(b) Every grant of any such franchise shall be for a limited period of time. If not limit be expressly provided in the grant, the franchise shall be valid for one year only. In no case shall a franchise be extended for a period exceeding fifty years.

(c) No grant of any such franchise shall be made without at the time of making it, providing that the grantee shall indemnify the city against all damages caused by the construction of such work. All reasonable additional provisions and conditions may be made for the protection of the public from unnecessary damages or inconvenience by reason of such works and the operation thereof.

(d) No grant of franchise or the extension of, or an addition to, any line of such work, over any additional street or territory of the city, shall be made for a period extending beyond the time limit for the expiration of the franchise of the principal work of which it is an extension; and if the franchise of the principal company or work is one which was granted before this act goes into effect, and not limited as to time, the franchise granted for the extension or addition shall nevertheless be made subject to the conditions thereof, including a time limit of not exceeding fifty years. If a franchise be secured from the city by an individual or by an independent or a new company, and the work constructed thereunder afterwards becomes a part of it, or be operated as a part of a larger

work of the same kind whose franchise was previously obtained and is limited to expire earlier, such later franchise shall, by reason of such annexation merger, or single operation, expire simultaneously with such earlier franchise.

Sec. 43. Codification of ordinances.

The city council may adopt by ordinance, a code of laws and ordinances, which when adopted shall be printed in book form, or it may be adopted as a whole after it is printed, and said code shall be the law and ordinances of said city, and shall be received as such in all the courts of this state, and the laws, ordinances; franchises and rules when printed therein shall be *prima facie* proof of their correctness, until repealed, modified, changed, amended or added to.

Sec. 44. City of Hinton as successor to cities of Hinton and Avis, previously incorporated.

The City of Hinton, as herein incorporated, shall be construed to be, and is hereby made the successor of the *City* of Hinton, as chartered, incorporated and existing under chapter one hundred four of the Acts of one thousand eight hundred and ninety-seven,, as amended by chapter one hundred and twenty-one, of the Acts of One thousand nine. hundred and one, and by chapter fifteen of the Acts of one thousand nine hundred and fifteen, amending and re-enacting the charter of the City of Hinton, and successor of the City of Avis, as chartered and incorporated by chapter thirty-three of the Acts of one thousand nine hundred and twenty-five.

As such successor of the City of Hinton and the City of Avis, said City of Hinton shall be entitled to collect all claims, taxes, assessments, debts and demands due and owing to the said City of Hinton, or the said City of Avis at the time this act takes effect, and shall be and is hereby vested with title to all property, both real and personal, owned by the said City of Hinton and the City of Avis, jointly or severally, at the time this act takes effect.

And the said City of Hinton, as herein incorporated, shall be construed to be, and is hereby liable for the payment of all outstanding bonds of the said City of Hinton and of the said City of Avis, and all claims, debts and demands due and owing by either of said cities at the time this act takes effect. And the said City, as herein incorporated, shall be liable for and shall perform all of the obligations on the part of the said City of Hinton or the said City of Avis, as now existing, in any contract or franchise made by either of the said cities, and shall be entitled to receive and collect under such contracts, all moneys that may become due and payable to either of said cities, by virtue of such contracts, and shall enforce in favor of the citizens of the said City of Hinton, as herein incorporated, all provisions of any such contract or franchise, for the protection of, or use or benefit of any of the citizens of either of said cities, as incorporated at the time this act goes into effect, and all bonds, franchises and contracts issued, granted or made by the said City of Hinton or the said City of Avis, under the authority of the charters of the said cities, or any former charters of said cities, shall be and is hereby made valid against the City of Hinton, as herein incorporated, and nothing contained in this act shall be construed to invalidate or make void any bonds, evidence of indebtedness, franchises or contracts heretofore issued, granted or made by the said City of Hinton, or the said City of Avis, or either of said cities prior to the time that this act shall take effect, or shall in any wise affect the validity or. enforcement of the same.

Sec. 45. Effect of Charter upon ordinances of cities of Hinton and Avis.

All ordinances heretofore passed by the council or board of affairs of the City of Hinton, and in effect at the time of the passage of this act, not inconsistent with the provisions of this act, shall remain in full force and effect throughout the territorial limits of the City of Hinton, as herein incorporated, and all ordinances of the City of Avis, and all ordinances of

the City of Hinton inconsistent with the provisions of this act, are hereby abrogated.

Sec. 46. Number and gender of nouns and pronouns.

All masculine nouns and pronouns referring to any officer of the City of Hinton, voter or other person, used in this act, shall be construed to be of common gender, and to include both male and female.

Sec. 47. Style of ordinance.

The style of any ordinance enacted by the council of said city, shall be "Be it ordained by The Council of the City of Hinton."

Sec. 48. Merger of cities of Hinton and Avis.

All officers of the City of Hinton, and all officers of the City of Avis, respectively, in office at the time of the passage of this act, shall remain in their respective offices until the mayor and the members of the city council for the City of Hinton herein provided for, shall be elected and qualified, whereupon the said officers of the City of Hinton and of the City of Avis shall turn over to the newly elected mayor and members of the council of said City of Hinton, elected under this act, all of the papers, records, property and effects of each of the said cities ; and the said two cities shall thereafter be merged into and governed under the charter of The City of Hinton provided by this act, along with the inhabitants of the additional territory included in the boundaries of the said City of Hinton, in section two of this act.

Sec. 49. Repeal of inconsistent acts.

All other acts and parts of acts coming within the purview of this act, and inconsistent herewith, are hereby repealed.

The City of Hinton
County of Summers, to wit

I, Joseph M Blankenship having been duly Elected to the office Mayor of Hinton do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and I will truly and faithfully perform all duties of said office, during my continuance therein, to the best of my skill and judgment, so help me God.

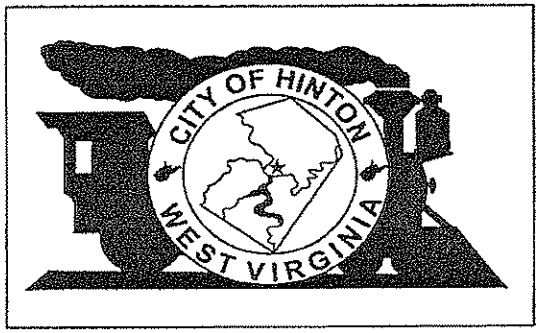
Subscribed and sworn to before the City Manager/Recorder Cris Meadows of the City of Hinton , this 30th day of June, 2009

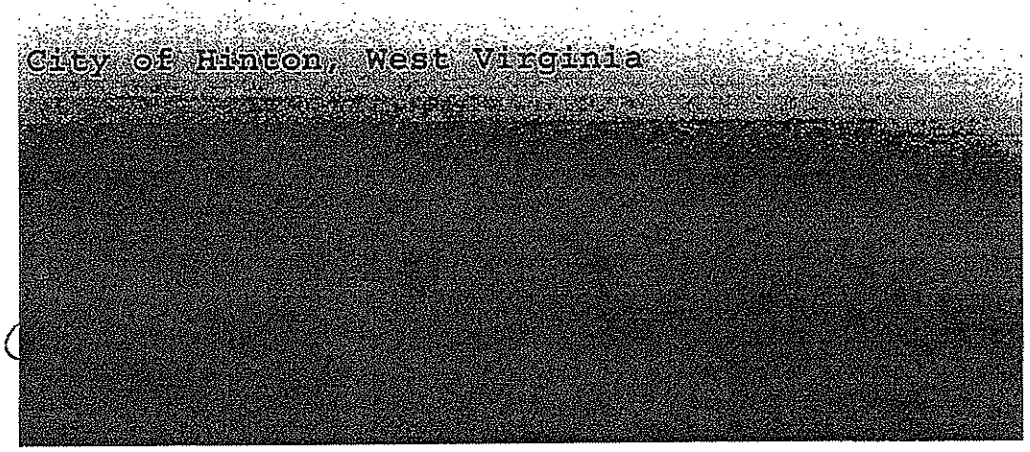
City of Hinton, West Virginia

The City of Hinton
County of Summers, to wit

I, Robert L. Basham having been duly Elected to the office City Council of Hinton do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and I will truly and faithfully perform all duties of said office, during my continuance therein, to the best of my skill and judgment, so help me God.

Subscribed and sworn to before the City Manager/Recorder Cris Meadows of the City of Hinton , this 30th day of June, 2009

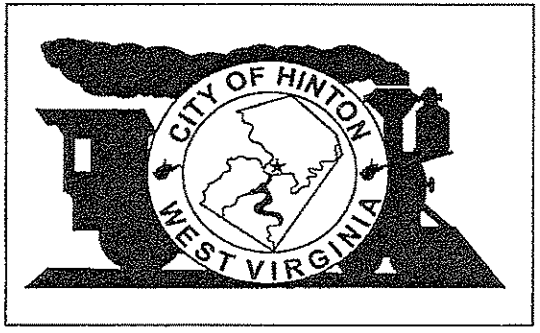


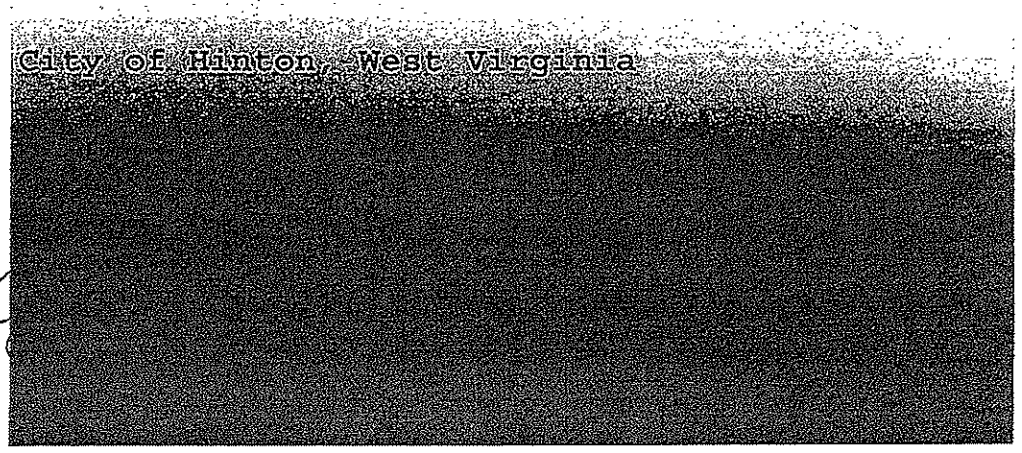


The City of Hinton
County of Summers, to wit

I, James P. Jordan having been duly Elected to the office City Council of Hinton do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and I will truly and faithfully perform all duties of said office, during my continuance therein, to the best of my skill and judgment, so help me God.

Subscribed and sworn to before the City Manager/Recorder Cris Meadows of the City of Hinton , this 30th day of June, 2009





The City of Hinton
County of Summers, to wit

I, Larry K. Meador having been duly Elected to the office City Council of Hinton do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and I will truly and faithfully perform all duties of said office, during my continuance therein, to the best of my skill and judgment, so help me God.

Subscribed and sworn to before the City Manager/Recorder Cris Meadows of the City of Hinton , this 30th day of June, 2009

City of Hinton, West Virginia

The City of Hinton, County of Summers, to-wit:

I, Cris Meadows having been duly Sworn in to the office of City Manager/Recorder do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and I will truly and faithfully perform all the duties of said office, during my continuance therein, to the best of my skill and judgment, so help me God. Cris Meadows

Subscribed and sworn to before the undersigned Cris Meadows of said County, this 15th day of May, ~~2002~~ 2003

Nancy M Cales — Signature

5/15/03 — Date

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NANCY M. CALES
FIRST NATIONAL BANK—HINTON
P.O. BOX 70, HINTON, WV 25951
My Commission Expires October 17, 2008

The City of Hinton
County of Summers, to wit

I, Charles Stuart "Tommy" Oxley Jr. having been duly Elected to the office City Council of Hinton do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and I will truly and faithfully perform all duties of said office, during my continuance therein, to the best of my skill and judgment, so help me God.

Subscribed and sworn to before the City Manager/Recorder Cris Meadows of the City of Hinton , this 30th day of June, 2009

P.S.C. W. Va. No. 9
Canceling No. 8

CITY OF HINTON, a municipal corporation

OF

HINTON, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING SEWERAGE AND SEWAGE DISPOSAL SERVICE

at HINTON and vicinity, Summers County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

RECEIVED
2009 MAY 28 PM 2 50
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

Issued May 19, 2009 Effective for service rendered on or after July 3, 2009
or as otherwise provided herein

Adopted by City Council

Issued by THE CITY OF HINTON, a municipal utility

By Lew Matthews

Mayor
Title

RULES AND REGULATIONS

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

RECEIVED
2009 MAY 28 PM 2 50
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

SCHEDULE I

(C) APPLICABILITY
Applicable within the entire territory served.

AVAILABILITY
Available for domestic, commercial, industrial (except unusual industrial waste) sewer service.

(C, I) RATES (Customers with a metered water supply)

Residential	$ 7.65 per 1,000 gallons
Commercial and Industrial	$ 9.25 per 1,000 gallons

(C,I) MINIMUM CHARGE (Customers with a metered water supply)
Each residential customer shall pay a minimum charge of $ 15.30 per month
(Equivalent to 2,000 gallons of water usage)

(C,I) MINIMUM CHARGE (Customers with a metered water supply)
Each commercial/industrial customer shall pay a minimum charge of $ 18.50 per month
(Equivalent to 2,000 gallons of water usage)

(C,I) FLAT-RATE CHARGE (Residential customers with non-metered water supply)
Each customer shall pay a minimum charge of $ 34.43 per month
(Equivalent to 4,500 gallons of water usage)

(C) DELAYED PAYMENT PENALTY
The above schedule is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once where it is appropriate.

(C, I) WATER SERVICE CONNECTION CHARGE $ 350.00
The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $350.00, or the *actual cost of the connection (solely determined by the Utility)*, Whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

(C) RETURNED CHECK CHARGE $ 25.00
A service charge of $25.00 will be imposed upon any customers whose check for payment of charges is returned by the bank for any reason.

C- Indicates Change I- Indicates Increase N- Indicates New

SCHEDULE I (Con't)

(C, I) DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE **$25.00 each**

Water service will not be restored until all past due bills have been paid in full and all accrued penalties plus a disconnection charge of **$25.00** have been paid.

There will be a **$25.00** reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of **$25.00** shall be paid in addition to other charges to prevent disconnection.

(C, I) INCREMENTAL COSTS $ **3.50** per 1,000 gallons

An amount not to exceed **$3.50** per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

(N) EFT, ACH, CREDIT CARD AND DROP-BOX PAYMENTS

A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the Utility from the financial institution for processing payment.

SCHEDULE II

(C) SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SANITARY SEWER SYSTEM

Where the Utility has discovered that a customer's roof drain, downspouts, storm sewer, or other similar facilities conducting surface water have been connected to the Utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the Utility in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times .0006233 \times C$$

S - The surcharge in dollars

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R - The measured monthly rainfall, in inches

.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C - The Utility's approved rate per thousand gallons of metered water usage.

The Utility shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci = charge to unusual users per year

Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi = volume of wastewater from unusual users in gallons per year

Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per year

Bi = weight of BOD from unusual users in pounds per year

So = average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound

Si = weight of total solids from unusual users in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Utility, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE IV

APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

Where the amount of sanitary sewage discharged into the Utility's wastewater collection and/or transmission and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant of plants will pay to the Utility a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served

AVAILABILITY OF SERVICE

Available for wastewater and leachate haulers

RATES

Commodity Charge – Each customer shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the ***actual capacity*** of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid when due, ten percent (10%) will be added to the net current amount unpaid.. This delayed payment penalty is not interest and is to be collected only once where it is appropriate.

RETURNED CHECK CHARGE $ 25.00

A service charge of **$25.00** will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

ACTS OF HINTON CITY COUNCIL
SPECIAL MEETING
Wednesday June 3, 2009
5:00 p.m. –Technology Building

I. Call to Order:

The roll call showed Mayor Mathews, Pat Jordan, and Larry Meador, and Bob Basham. Tommy Oxley was absent. City Manager Cris Meadows was also in attendance.

II. Sewer Rate Increase

Council discussed the sewer rate ordinance. David Ziegler discussed that we need to readopt the sewer rate ordinance and republish it in the paper again to meet all of the guidelines set forth by the Public Service Commission and will make the new rates effective July 18,2009. Councilman Meador made a motion to waive the reading of the ordinance and adopt the rates as set forth in the new tariff. Councilman Jordan seconded the motion and the motion passed on a vote of 4-0.

P.S.C. W. Va. No. 9
Canceling No. 8

CITY OF HINTON, a municipal corporation

OF

HINTON, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

SEWERAGE AND SEWAGE DISPOSAL SERVICE

at HINTON and vicinity, Summers County, West Virginia

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of
WEST VIRGINIA

ACTS OF HINTON CITY COUNCIL
Regular Meeting
Tuesday, May 19, 2009
6:30 p.m. Hinton Technology Center

I. Call to Order/Roll Call

Mayor Mathews called the regular meeting of the Hinton City Council to order at 6:30 p.m. Council President Larry Meador, Councilman Tommy Oxley, Councilman Bob Basham, Councilman Pat Jordan; City Manager Cris Meadows, and City Attorney Mike Froble were present.

II. Devotions/Pledge of Allegiance

Lynn Maddy led the devotions and Council led the Pledge of Allegiance.

III. Approval of the Minutes

Councilman Jordan moved to approve the 2009 April 10, April 21 and May 5 meeting minutes, Councilman Meador seconded the motion and the motion passed by unanimous consent.

IV. Old Business

A. Sewer Rate Increase – Second reading for adoption and public hearing

David Ziegler attorney for the Sanitary Board spoke about the increase and reasons behind it being to become grant eligible and for current plant upgrades. Councilman Jordan moved to approve the increase in the current sewer rates effective upon passage and adoption by the PSC, Councilman Meador seconded the motion and the motion passed on a vote of all ayes.

B. Public Hearing USDA Application for Fire Station Construction

Ray Pivont discussed the need for a new fire station and the application to build on on the property in Avis that council purchased. Councilman Meador moved to approve the application for a loan and grant to USDA for a new fire station. Councilman Basham seconded the motion. The motion passed on a vote of all aye.

V. New Business

A. Approval of Building/ Sign Permits

Council discussed the building permits and the current situations with the McCreery building then Councilman Basham made a motion to approve the building permits. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes. Councilman Oxley abstained on 1109 Temple Street and Councilman Meador abstained on his permit.

B. Approval of Paid Invoices

Councilman Jordan made a motion to approve the paid invoices; Councilman Oxley seconded the motion. The motion passed by a vote of all ayes.

City of Hinton
Paid Bills April 2009

Check#	Date	Description	Amount
15823	4/7/2009	John Adkins (paid fire call)	35.00
15818	4/7/2009	Joseph L Adkins (paid fire call)	95.00
15853	4/9/2009	AFLAC (biweekly pay - AFLAC)	107.19
15943	4/23/2009	AIG (Deductible for Insurance claim. R. Cole)	2,500.00
15845	4/9/2009	Allegheny Power (power bills)	2,382.54
15936	4/23/2009	Allegheny Power (power bills)	6,474.61
15872	4/9/2009	Alliance Consulting Inc. (Compression testing for Hinton Culvert Project. Fox case.)	40.50
15946	4/23/2009	AT& T (Cell phone for Ralph Trout)	96.24
15860	4/9/2009	Beckley Newspaper (Bids for Freight Depot notice)	9.89
15824	4/7/2009	Randy Bennett (paid fire call)	80.00
15832	4/7/2009	Robbie Bennett (paid fire call)	10.00
15825	4/7/2009	Joseph Bowling (paid fire call)	10.00
15838	4/7/2009	David S Bradberry (paid fire call)	35.00
15895	4/14/2009	Sue Briers (Poll worker for City election and early voting)	1,170.00
15897	4/14/2009	India Brown (Poll worker for City Election)	150.00
15898	4/14/2009	Cathy Cales (Poll worker for City Election and Early voting)	218.00
15826	4/7/2009	Roy Carter (paid fire call)	95.00
15952	4/23/2009	Casto & Harris Inc. (Envelopes for election)	47.96
15863	4/9/2009	Casto & Harris Inc. (Envelopes for ballots)	47.96
15864	4/9/2009	Charleston Newspaper (Bids for Freight Depot notice)	785.55
15991	4/27/2009	Cintas (uniforms and supplies)	206.08
15868	4/9/2009	Collis Huntington Railroad Historical Society, Inc. (WV Tourism Grant for 2009-2010)	400.00
15965	4/23/2009	Contech Construction Products Inc. (872" culvert pipe. Fox case)	4,921.04
15910	4/14/2009	H F Cooper (Poll worker for City Election)	150.00
15891	4/14/2009	Nancy Crawford (Poll worker for City election and early voting)	1,102.00
15837	4/7/2009	Joshua P Dawson (paid fire call)	150.00
15834	4/7/2009	Dill's Fire & Saftey Equipment Co. (Suction strainer for Fire dept)	38.43
15858	4/9/2009	Eddies Paint & Auto (Invoices D-42239, D-42270)	49.49
15894	4/14/2009	Vera G Epling (Poll worker for City Election and early voting (8 Days))	694.00
15861	4/9/2009	Eric S. Gordon Trust dtd 11/09/73 (Payment on 2007 Jeep)	548.30
15819	4/7/2009	Lee Roy Farley (paid fire call)	20.00
15836	4/7/2009	Gary W Farmer (paid fire call)	80.00
15938	4/23/2009	Fisher Auto Parts (Oil change to Jeep for PD)	47.88

15846	4/9/2009	Fisher Auto Parts (Supplies for PD vehicle)	28.97
15856	4/9/2009	Michael Froble (Monthly retainer)	1,000.00
15909	4/14/2009	Stephen Furrow (Poll worker for City election)	150.00
15950	4/23/2009	Galls (uniforms for police)	831.44
15820	4/7/2009	Billy Dan Gill (paid fire call)	85.00
15900	4/14/2009	Columbus Ray Gill (Poll worker for City Election)	150.00
15956	4/23/2009	Ann Gore (Donation for Prom Promise for SCHS)	75.00
15907	4/14/2009	Judith Gore (Poll worker for City Election)	150.00
15953	4/23/2009	Gore's Autobody (Maintenance to Impala for PD)	212.94
15835	4/7/2009	Jason Grose (paid fie call)	145.00
15997	4/27/2009	H K Holdings, LLC (Refund B&O Overpayment)	1,805.56
15827	4/7/2009	Len Hanger (paid fire calls)	70.00
15962	4/23/2009	Hayes Pistolsmithing (Maintenance on PD weapons)	170.00
15937	4/23/2009	Hinton Hardware (Invoices acct#0042, acct#0144)	157.87
15866	4/9/2009	Hinton Little League (Lawn Maintenance for January 1, 2009 to July 31, 2009)	3,000.00
15945	4/23/2009	Hinton News (Applications for Fire Dept)	24.60
15851	4/9/2009	Hinton News (various Invoices , ,)	158.43
15934	4/23/2009	Jarrell's Exxon (Invoices ,)	42.61
15896	4/14/2009	Vera Kirk (Poll worker for City Election)	150.00
15954	4/23/2009	Knowledge Systems Inc (SD and Digital card for City Hall, Mouse and keyboard)	49.98
15903	4/14/2009	Kenneth Kochinsky (Poll Worker for City Election)	150.00
15939	4/23/2009	Kroger (Dog food for Dog warden)	113.94
15869	4/9/2009	Alvin K Lucas (Reimbursement for PD supplies)	100.00
15867	4/9/2009	Roger Mann (Install battery charger on Engine 7)	55.00
15958	4/23/2009	Roger Mann (Install 2 hoses on Engine 5)	145.00
15892	4/14/2009	Pamela Massey (Poll worker for City Election and early voting)	1,170.00
15833	4/7/2009	Gregory D Meadows (paid fire call)	20.00
15899	4/14/2009	Linda Meadows (Poll worker for City Election)	150.00
15893	4/14/2009	Meadows, Pauline (Poll worker for City Election)	150.00
15960	4/23/2009	Miss Utility of WV (Fax service for Street dept)	33.75
15908	4/14/2009	Grover Morris (Poll worker for City election)	150.00
15941	4/23/2009	Mountaineer Computer Systems Inc (Invoices 3485, 3524)	114.95
15855	4/9/2009	Mountaineer Gas Company (Invoices acct#71118404088001, acct#71118504015003)	816.51
15821	4/7/2009	Steve R Pack (paid fire calls)	80.00
15822	4/7/2009	Leon R Pivont (paid fire calls)	75.00
15828	4/7/2009	David Quisenberry (paid fire call)	110.00
15831	4/7/2009	Mark A Ratliff Jr (paid fire call)	50.00
15890	4/14/2009	Guy Ray (Poll worker for City election)	150.00
15829	4/7/2009	Jason Richmond (paid fire call)	30.00

15961	4/23/2009	Riverside Floral (Poinsettias for Christmas Bazaar)	50.00
15873	4/9/2009	RSC Equipment Rental (Fence for Save A Lot culvert)	106.56
15905	4/14/2009	James Snider (Poll worker for City Election)	150.00
15904	4/14/2009	Virginia Snider (Poll Worker for City Election)	150.00
15957	4/23/2009	Southern WV CVB (half of Hotel Motel tax)	100.95
15935	4/23/2009	Suddenlink Communications (Cable services for Fire Dept)	71.93
15865	4/9/2009	Summers County Health Department (Hep B Injection for Anthony Gray)	35.00
15996	4/27/2009	Summers County KIDS (Donation for yearly activities)	200.00
15852	4/9/2009	Summers County Schools (Food for Lady Bobcat reception)	257.98
15959	4/23/2009	Sweet Springs Valley Water Co. (Water for City Hall)	47.45
15847	4/9/2009	Ralph L Trout (health insurance reimbursement)	416.00
15830	4/7/2009	Robbie Turner (paid fire call)	145.00
15963	4/23/2009	United BankCard Center (Supplies and payments on accts. for Fire, Street depts, City Hall)	2,482.44
15901	4/14/2009	Mary Vandall (Poll worker for City Election)	150.00
15862	4/9/2009	West Virginia Uniforms (Eagle insignia for PD Uniforms)	32.50
15944	4/23/2009	Jerry C Wheeler (Gas surcharge for March for dog warden)	100.00
15902	4/14/2009	Linda Connie Willey (Poll worker for City election)	150.00
15995	4/27/2009	WV Dept of Labor (Waterslide permit fee)	100.00
15993	4/27/2009	WV Public Employees Insurance (employees health ins)	9,157.56
15793	4/2/2009	WV Public Employees Retirement (employee retirement)	6,291.81
15854	4/9/2009	Alan Wygal (Qualifying for Zach Mills)	67.22
15870	4/9/2009	Xerox Corporation (Copier for City Hall)	281.22
15955	4/23/2009	Zarc International Inc. (Holster for PD)	32.23
Total			**55,495.06**

C. Approval of Financial Report

Council discussed the financial report and Councilman Jordan moved to approve the report as presented. Councilman Basham seconded the motion and the motion passed on a vote of all ayes.

Financial Report
April 30, 2009

Fund Govenmental Funds	MTD Actual	YTD Actual	Annual Budget	Remaining Budget
Revenues				
Property Tax	6,840.38	163,003.72	216,455.00	53,451.28
Excess Levy	3,553.35	86,458.59	114,865.00	28,406.41
Oil & Gas Tax	0.00	0.00	900.00	900.00
Utility Tax	6,682.51	142,927.97	110,000.00	(32,927.97)
Business & Occupation Tax	52,702.62	499,315.55	550,000.00	50,684.45

Delinquent B&O	0.00	0.00	15,000.00	15,000.00
Wine and Liquor Tax	9,290.00	29,330.39	28,000.00	(1,330.39)
Dog Tax	4.40	143.10	200.00	56.90
Hotel Occupancy Tax	0.00	201.90	0.00	(201.90)
Table Games	1,085.28	7,482.22	8,484.00	1,001.78
Licenses	15.00	1,750.50	4,000.00	2,249.50
Building Permit Fees	265.00	4,096.00	5,000.00	904.00
Miscellaneous Permits	22.00	145.00	250.00	105.00
Franchise Fees	8,609.87	33,198.52	30,000.00	(3,198.52)
IRP Road Fees	48.82	1,054.14	1,500.00	445.86
State Grants	0.00	141,601.22	160,000.00	18,398.78
Local Grants	500.00	500.00	0.00	(500.00)
Contributions From Other Entit	0.00	267.50	0.00	(267.50)
Private Liquor Club	0.00	0.00	1,500.00	1,500.00
Parks & Recreation	0.00	6,401.76	10,000.00	3,598.24
Parking Meter Revenues	0.00	2,852.13	6,000.00	3,147.87
Rents and Concessions	0.00	100.00	500.00	400.00
Fines, Fees and Court Costs	0.00	14,419.72	12,000.00	(2,419.72)
Parking Violation Fees	0.00	388.36	500.00	111.64
Interest Earned	0.00	2,089.01	2,000.00	(89.01)
Open- Transfer from Rainy Day Fund	0.00	0.00	110,000.00	110,000.00
Reimbursements	0.00	7,530.91	7,500.00	(30.91)
Refunds	0.00	513.50	0.00	(513.50)
Sale of Fixed Assets	0.00	0.00	5,000.00	5,000.00
Police reports	75.00	650.00	1,000.00	350.00
Video Lottery	475.60	3,522.53	4,000.00	477.47
Miscellaneous Revenues	22.00	5,277.80	17,357.00	12,079.20
Total Revenues	90,191.83	1,155,222.04	1,247,027.00	91,804.96
Expenditures				
GasbExpense	0.00	0.00	0.00	0.00
Mayor	1,100.05	12,590.99	14,847.00	2,256.01
Council	2,153.00	23,394.24	29,832.00	6,437.76
City Clerk	5,707.23	64,379.51	110,011.00	45,631.49
Police Judge	912.22	9,204.05	11,579.00	2,374.95
City Attorney	1,000.00	10,000.00	12,000.00	2,000.00
Community Development Program	2,250.00	9,000.00	9,000.00	0.00
Elections	7,424.12	9,308.97	5,000.00	(4,308.97)
City Hall	33,134.55	95,028.57	143,731.00	48,702.43
Other Buildings	2,594.29	223,663.72	203,000.00	(20,633.72)
Police Department	27,933.24	303,348.89	345,523.00	42,174.11
Dog Warden	845.03	10,069.28	11,496.00	1,426.72

Rescue Squad	0.00	600.00	600.00	0.00
Fire Department	13,133.09	167,665.00	191,075.00	23,410.00
Highways and Streets	0.00	0.00	0.00	0.00
Streets and Highways	20,916.22	186,955.31	207,213.00	20,257.69
Street Lights	3,753.51	29,927.57	60,000.00	30,072.43
Health and Sanitation	0.00	0.00	0.00	0.00
Health Department	35.00	5,087.00	8,253.00	3,166.00
Parks	498.49	24,277.85	33,242.00	8,964.15
Travel Council	0.00	425.50	500.00	74.50
Fairs and Festivals	50.00	4,510.40	4,875.00	364.60
Youth Programs	3,875.00	5,882.98	6,000.00	117.02
Library	100.95	5,100.95	8,003.00	2,902.05
Beautification	46.00	6,306.39	5,000.00	(1,306.39)
Aging Program	0.00	5,000.00	5,000.00	0.00
Total Expenditures	127,461.99	1,211,727.17	1,247,027.00	35,299.83
Excess Revenues Over (Under) Expenditures	(37,270.16)	(56,505.13)	0.00	56,505.13

D. Approval of unpaid invoices

Councilman Jordan moved to approve the unpaid invoices. Councilman Oxley seconded the motion and the motion passed on a vote of all aye.

E. Resolution in support of high speed broadband access

Mayor Mathews read the resolution in support of broadband development in the area. Councilman Meador moved to approve the resolution as presented Councilman Oxley seconded the motion and the motion passed by unanimous consent.

F. Resolution for LEDA grants

Mayor Mathews read resolutions from grants issued by the state for restoration of the depot, paving and various purchases. Councilman Meador moved to approve the resolutions. Councilman Oxley seconded the motion and the motion passed on a vote of all aye.

VI. Reports

A. Legal Notices, Clean-Up, Community Development

Councilman Oxley moved to go into executive session to discuss personnel and litigation. Councilman Jordan seconded the motion and the motion passed on a vote of all aye.

Councilman Oxley moved to return from executive session. Councilman Jordan seconded the motion and the motion passed by unanimous consent.

Councilman Meador moved to table the Fox Agreement. Councilman Oxley seconded the motion and the motion passed on a vote of all ayes.

B. Department Heads/Action as Needed

1. Police Department- Councilman Oxley moved to table the Rank Structure due to the fact he thought there were too many ranked positions. Councilman Jordan Seconded the motion and the motion passed on a vote of all ayes. Councilman Jordan moved to table hiring any policeman Councilman Basham seconded the motion and the motion passed on a vote of all ayes.

2. Public Works-

3. Fire Department- Chief Pivont stated that the department had bought some pumps to help out with flood situations and would like the city to purchase two others.

4. Municipal Judge- nothing

5. City Manager- Nothing

VII. Personnel- nothing

Councilman Basham moved to make Joe Stewart Assistant Chief and move Steven Gray to Patrolman. Councilman Oxley seconded the motion and the motion passed on a vote of all aye.

VIII. Delegations/Public Input-

Joe Clinebell discussed the serious drain problem in the Maple Street Area. He stated that during the last hard rain his floor drain in the basement actually cracked the floor due to the pressure and water coming in. Councilman Oxley moved get Trout up there and see if he can lay an new drain line and fix the eighteen inch line from Maple to Garden Street. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes.

IX. Mayor and Council Reports-

The meeting adjourned on unanimous consent no time was noted.

X. Date of the next meeting is set for June 23, 2009

Mayor/Cleo Mathews **City Manager/Cris Meadows**

ACTS OF HINTON CITY COUNCIL
SPECIAL MEETING
May 5, 2009
5:00 p.m. --CITY HALL

I. Call to Order:

The roll call showed Mayor Mathews, Pat Jordan, and Larry Meador, and Bob Basham. Tommy Oxley was absent. City Manager Cris Meadows was also in attendance.

II. Sewer Rate Increase

Council discussed the sewer rate ordinance. Councilman Meador made a motion to waive the reading of the ordinance and keep it on file at City Hall for public viewing. Councilman Basham seconded the motion and the motion passed on a vote of 4-0. Councilman Meador moved to accept the first reading of the new sewer rate ordinance as submitted. Councilman Jordan seconded the motion and the motion passed on a vote of 4-0.

III. Adjournment.

Councilman Basham made a motion to adjourn. Councilman Jordan seconded the motion and the motion passed on a vote of all aye.

_____ _____

City Manager **Mayor**

Issued May 19 2009 Effective for service rendered on or after July 19,2009
or as otherwise provided herein

Adopted by City Council

Issued by THE CITY OF HINTON, a municipal utility

By_____

_____
Title

Rates

I, Fred Long, publisher of Hinton News a newspaper in Summers County, West Virginia do hereby certify that the annexed Notice was published in said newspaper for two successive times on the following dates, May 5, 12, 2009
THE PRINTERS FEE THEREFORE IN $24.94
Given under my hand this 26 day of May, 20 09

Publisher

State of West Virginia)
County of Summers) to wit:
Subscribed and sworn to before me this 26 day of May, 20 09
My Commission expires January 17, 2015

NOTARY PUBLIC - OFFICIAL SEAL
STATE OF WEST VIRGINIA
NELLIE M. ROBERTSON
406 Cedar Ave., Hinton WV 25951
My commission expires: 1-17-2015

Nellie M. Robertson
Notary Public

COPY OF PUBLICATION FROM THE HINTON NEWS

LEGAL NOTICE

CITY OF HINTON

Notice is hereby given that the City of Hinton, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance, the principal object of which is the increase of sewer rates for customers of the sewer system operated by the City of Hinton. The title of such ordinance is "Rates and Charges", the effect of which is to increase sewer rates. The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the City of Hinton, City Hall, 322 Summers Street, Hinton, West Virginia on May 19th, 2009 at six thirty o'clock (6:30) p.m. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available at the Office of the City of Hinton Sanitary Board, City Hall, in Hinton, West Virginia.

HN May 5, 12

RECEIVED
2009 JUL 9 AM 9 05
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NELLIE M. ROBERTSON
406 CEDAR AVENUE
HINTON, WV 25951
My commission expires January 17, 2015

I, Fred Long, publisher of Hinton News a newspaper in Summers County, West Virginia do hereby certify that the annexed Notice was published in said newspaper for two successive times on the following dates, June 9, 16, 2009

THE PRINTERS FEE THEREFORE IN $112.23

Given under my hand this 30 day of June, 20 09

Publisher

State of West Virginia)

County of Summers) to wit:

Subscribed and sworn to before me this 30 day of June, 20 09

My Commission expires January 17, 2015

NOTARY PUBLIC - OFFICIAL SEAL
STATE OF WEST VIRGINIA
NELLIE M. ROBERTSON
406 Cedar Ave., Hinton WV 25951
My commission expires: 1-17-2015

Notary Public

COPY OF PUBLICATION FROM THE HINTON NEWS

LEGAL NOTICE

Tariff Form No. 12
(Tariff Rule 44) PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that The City of Hinton Sanitary Board, a public utility, and The City of Hinton, a municipal corporation, has adopted by ordinance on June 3, 2009 a tariff containing increased rates, tolls and charges for furnishing sewer service to 1,278 customers at Hinton, in the Counties of Summers and Raleigh.

The proposed increased rates and charges will become effective not sooner than July 18, 2009 annually unless otherwise ordered by the Public Service Commission and will produce approximately $53,146.00 annually in additional revenue, an increase of 10%.

The average monthly bill for the various classes of customers will be changed as follows:

All Services ($) Increase $2.17, Increase (%) 10.1%

Resale customers: ($) Increase $3.15, Increase (%) 10.1%

Based One: Residential (3,100 gal/mo), ($) Increase $2.17, Increase (%) 10.1%

Based One: Residential (4,500 gal/mo), ($) Increase $3.15, Increase (%) 10.1%

Based One: Commercial (13,100 gal/mo), ($) Increase $11.11, Increase (%) 10.1%

Based One: Industrial (12,100 gal/mo), ($) Increase $11.11, Increase (%) 10.1%

Based One: Governmental (13,100 gal/mo), ($) Increase $11.11, Increase (%) 10.1%

Based One: Resale, ($) Increase $N/A, Increase (%) N/A%.

The City of Hinton does not currently have any resale class customers.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 210 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at any of the following offices of the utility.

The City of Hinton Sanitary Board
The City of Hinton
322 Summers Street
Hinton, West Virginia 25951

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

HN June 9, 16

RECEIVED
2009 JUL 9 AM 9 07
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NELLIE M. ROBERTSON
406 CEDAR AVENUE
HINTON, WV 25951
My commission expires January 17, 2015

THE CITY OF HINTON

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 Hinton does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

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

2. Special Meetings. A notice shall be posted by the Recorder at the front door or bulletin board of the City Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted the 16th day of March, 2004.

CHAPTER 20. SEWERS AND SEWAGE DISPOSAL

Article I. Generally

Sec. 1. Definitions.
Sec. 2. Rules of Public Service Commissioli Apply.
Sec. 3. City not Liable for Damage.
Sec. 4. Penalty; Liability in Damages for Negligence.

Article II. Sanitary Board

Sec. 5. Established; Composition; Eligibility of City Officers and Employees; Bond of Members.
Sec. 6. Bond of Treasurer.
Sec. 7. Term of Members; Vacancies.
Sec. 8. Officers.
Sec. 9. Cashier: Collection and Deposit of Funds: Liability Upon Official Bonds; Additional Duties of Recorder-Treasurer.
Sec. 10. Superintendent and Purchasing Agent.
Sec. 11. Salaries of Officers and Members as Fixed.
Sec. 12. Powers. Duties. Limitations thereon: Obligation and Expenditure of Funds: Employees.
Sec. 13. Construction. etc., of Works: Management of Works; Authority to Promulgate Rules and Regulations.
Sec. 14. Advertisement for Bids; Acceptance and Rejection of Bids.
Sec. 15. Sanitary Board Revenue Account.
Sec. 16. Sewage Bond Interest and Redemption Fund -- Continued; Purpose; Transfers to any Payments from; Required Balance.
Sec. 17. Sanitary Board Depreciation Fund.
Sec. 18. Sanitary Board Reserve Fund.
Sec. 19. Same -- Method of Making Payments Therefore.
Sec. 20. Funds of Board are City Funds: Deposit of Funds.

Article III. Rates and Charges

Sec. 21. Schedules for Service Inside City.
Sec. 22. Rates Outside the City.
Sec. 23. Industrial Waste Cost Recovery Charge Formula.
Sec. 24. Charges Constitute Liens; Enforcement of Liens; Attorney Fees.
Sec. 25. Free Service Prohibited.

Article IV. Connections.

Sec. 26. Use of Sewer Facilities Mandatory -- General: Failure to Connect Deemed Public Nuisances; Illegal Dumping of Sewage: Privy Prohibition.
Sec. 27. Same -- Authority and Procedure to Compel Properties to be Connected.
Sec. 28. Permit -- Required to Tap or Connect to Public Sewers; Definition of Person.
Sec. 29. Same -- Required to Tap or Connect to Private Sewer connected to Public Sewer.
Sec. 30. Same -- Issuance Upon Application and Payment of Fee; Separate Permit and Fee Required for Each Improvement: Garages; Expiration.
Sec. 31. Same -- Misrepresentation of Cost of Building, etc.. to be Connected to Public Sewer.
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Article I. Generally

Sec. 1. Definitions.

For the purposes of this Chapter. the following terms shall have the meanings respectfully ascribed to them by this section:

(a) Biochemical oxygen demand (BOD): The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in 5 days at 20 degrees centigrade expressed in milligrams per liter.

(b) Building drain: That part of the lowest horizontal piping of a drainage system which receives the waste discharge from other drainage pipes inside the walls of the building and conveys it to the building sewer, which begins 5 feet (1.5 meters) outside the inner face of the building wall.

(c) Building sewer: The extension from the building drain to the public sewer or other place of disposal, also called house connection.

(d) Combined sewer: A sewer intended to receive both wastewater and storm or surface water.

(e) Easement: An acquired legal right for the specific use of land owned by others.

(f) Floatable oil: Oil. fat or grease in a physical state such that it will separate by gravity from wastewater by treatment in an approved pretreatment facility. A wastewater shall be considered free of floatable fat if it is properly pretreated and the wastewater does not interfere with the collection system.

(g) Garbage: The animal and vegetable waste resulting from the handling, preparation, cooking and serving of foods.

(h) Industrial wastes: The wastewater from industrial processes trade or business as distinct from domestic or sanitary wastes.

(i) Major contributing industry: An industrial user whose flow exceeds 50,000 gallons per day or whose known 5 day biochemical oxygen demand or concentration of suspended solids exceeds 220 milligrams per liter of the effluent discharge by such user into sanitary board system.

(j) Minor contributing industry: An industrial user which is not a major industrial user.

(k) Natural outlet: Any outlet, including storm sewers and combined sewer overflows, into a watercourse, pond, ditch, lake or other body of surface or ground water.

(l) pH: The negative logarithm of the reciprocal of the hydrogen ion concentration. The hydrogen ion concentration shall be measured by an acceptable pH meter. Neutral water, for example. has a pH value of. 7.0; values higher than 7.0 denote increasing alkalinity; and values lower than 7.0 indicate increasing acidity of hydrogen ions.

(m) Properly shredded garbage: The wastes from the preparation, cooking and dispensing of food that have been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing

in public sewers. with no particle greater than 1/2 inch (1.27 centimeters) in any dimension.

(n) Public sewer: A common sewer controlled by a governmental agency or public utility, including the City Sanitary Board.

(0) Sanitary Board: The Sanitary Board of the City established pursuant to Article 13 of Chapter 16 of the West Virginia Code.

(p) Sanitary sewer: A sewer that carries liquid and water carried wastes from residences, commercial buildings, industrial plants and institutions, together with minor quantities of ground, storm and surface waters that are not admitted intentionally.

(q) Sewage: The spent water of the community. The preferred term is wastewater.

(r) Sewer: A pipe or conduit that carries wastewater or drainage water.

(s) Sludge: Any discharge of water or wastewater which in concentration of any given constituent or in quantity of flow exceeds for any period of duration longer than 15 minutes more than 5 times the average 24 hour concentration or flows during normal operation and which shall **adversely** affect the collection system and/or performance of the wastewater treatment works.

(t) Store drain: (sometimes termed "storm sewer"): A drain or sewer for conveying water, groundwater, subsurface water, or unpolluted water From any source.

(u) Superintendent: The superintendent of wastewater facilities, and/or of wastewater treatment works, and/or of water pollution control by the City, or such superintendent's authorized deputy, agent. or **representative,** designated as provided by Section 10.

(v) Suspended solids: total **suspended** matter that **either** floats on the surface of, or is in suspension in. water, **wastewater.** or other liquids. and that is removable by laboratory filtering as prescribed in "Standard Methods for Examination of Water and Wastewater," and referred to as nonfilterable residue.

(w) Unpolluted water: Water **of quality equal** to **or** better than the effluent criteria in effect or water that would not cause violation of receiving **water quality standards and** would not **be benefited by discharge** to the **sanitary** sewers and **wastewater** treatment facilities **provided.**

(x) Wastewater: The spent water of a community. From **the** standpoint of source, it **may** be **a combination** of **the liquid** and **water-carried** wastes from residence, **commercial** buildings, industrial plants and institutions, together with any ground water, surface water, and storm water that may be present.

(y) Wastewater facilities: The structures, equipment and processes **required** to collect, carry **away, and** treat domestic and **industrial** wastes and **dispose of the effluent.**

(z) Wastewater treatment works: An **arrangement** of **devices** and structures for treating **wastewater.** industrial wastes. and sludge. sometimes used as **synonymous** with "waste treatment **plans**" or "wastewater treatment plants" or "water pollution control plants."

(aa) Watercourse: A natural or artificial channel for the **passage** of water, either continuously or intermittently.

Sec. 2. Rules of **Public Service Commission Apply.**

In **addition** to the **rules and regulations** promulgated in this Chapter, and the rules and **regulations** for sewer utilities prescribed by the Public Service Commission of the State apply to the operation and services of the sewer system of the City.

Sec. 3. City not Liable for Damage.

The City' shall not be liable to any customer as such for any damage resulting from bursting or breakage of any line, main, pipe, valve, equipment or part of from discontinuance of the operation of any part of the system or from failure of any part thereof for any cause whatsoever.

Sec. 4. Penalty: Liability in Damages for Negligence.

(a) whoever violates any provision of this Chapter shall, upon conviction. unless otherwise specified. be punished as provided by State Code and each day's continued violation or failure to comply with the provisions of this Article shall constitute a separate offense.

(b) In addition to any penalty imposed under this Chapter, violators shall be liable to the City for any damage to the sewer system or damage caused by reason of their negligence.

(c) It shall be the responsibility of the Sanitary Board to determine violators of this Chapter and any resulting fine or judgment for damages shall be a lien on the property so found in violation.

Article II. Sanitary Board

Sec. 5. Established; Composition; Eligibility of City Officers and Employees; Bond of Members.

Pursuant to the Code of West Virginia, Section 18-13-18. there is hereby established the Sanitary Board of the City, which shall be composed of the Mayor and 2 persons appointed by the Council. Other than the Mayor, no officer or employee of the City, whether holding a paid or unpaid office, shall be eligible to appointment on the Sanitary Board until at least 1 year after the expiration of the term of such person's public office. No bond shall be required of the members of the Sanitary Board except the Treasurer, if the Treasurer is a member, in which case such Treasurer shall be bonded as provided in this Division.

Sec. 6. Bond of Treasurer.

The Treasurer of the Sanitary Board shall give a bond in the sum of $25,000 conditioned upon the faithful performance of the duties as such Treasurer and the faithful accounting for all moneys which may come into such Treasurer's hands as such Treasurer, and otherwise conditioned as required by law; with surety to be approved by the Council.

Sec. 7. Term of Members: Vacancies.

Members of the Sanitary Board who are appointed by the Council shall serve for a term of 3 years and until their successors are duly appointed and qualified. Vacancies shall be filled by the Council for any unexpired term which may occur, in the same manner as the original appointment. By the month of June, 1989, and every 3 years thereafter, I member shall be appointed: and by the month of June, 1989, and every 3 years thereafter, 1 member shall be appointed. Members so appointed shall take office on the 1st day of July next succeeding their appointment.

Sec. 8_ Officers.

The Mayor shall act as Chairman of the Sanitary Board, which shall elect a Vice Chairman from its members. The Sanitary Board shall also designate a Secretary and a Treasurer (but the Secretary and the Treasurer may be one and the same). either of whom may or may not be a member of the Sanitary Board. The Vice-Chairman. Secretary and Treasurer shall hold office as such during the will and pleasure of the Sanitary Board.

Sec. 9. Cashier; Collection and Deposit of Funds; Liability Upon Official Bonds; Additional Duties of Recorder-Treasurer.

The Office Manager of the Sanitary Board shall perform the duties of cashier for the Sanitary Board, and as such shall receive and be responsible for all collections for all moneys legally or properly collectible by the Sanitary Board, and shall deposit them in the appropriate accounts in the

respective banks designated as depositories for funds of the City. The Recorder-Treasurer shall be liable under such officer's official bond as Recorder-Treasurer for all such collections: but this shall not be taken and considered as relieving the Treasurer of the Sanitary Board for any liability upon such Treasurer's official bond as such. The Recorder-Treasurer shall perform such other duties in connection with the operation of the office of the Sanitary Board as the Sanitary Board or its Chairman may from time to time require.

Sec. 10. Superintendent and Purchasing Agent.

The Sanitary Board shall designate a Superintendent who shall hold office as such during the will and pleasure of the Sanitary Board and whose duties shall consist of supervision of all other employees of the Board other than its officers, and supervision over all new construction authorized by the Board and all maintenance of existing facilities. The Superintendent shall also act as Purchasing Agent for the Sanitary Board. but such Superintendent's duties shall in no way include any duties set up in Section 9.

Sec. 11. Salaries of Officers and Members as Fixed.

The Council shall establish and may at its will and pleasure change the amount of the salary of the members of the Sanitary Board, or any one or more of its officers, except that it may not change the salary of a member during his or her term of office.

Sec. 12. Powers. Duties, Limitations thereon: Obligation and Expenditure of Funds: Employees.

(a) The Sanitary Board shall have the supervision and control: of the custody, administration, operation and maintenance of all works for the collection and treatment oC sewage which are now owned or may hereafter be acquired by the City. The Sanitary Board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of powers granted to such Sanitary Board under and by virtue of the Code of West Virginia. Chapter 16, Article 13. and shall be subject to all restrictions and limitations contained therein as well.

(b) The Sanitary Board may employ engineers, architects, inspectors. superintendents, a manager, collectors, attorneys and such other employees as in its judgment may be necessary in the execution of its powers and duties. and may fix their compensation. all of whom shall do such work as the board shall direct. All such compensation and all expenses incurred in carrying out the provisions of Article 13. Chapter 16 of the Code of West Virginia shall be paid solely from funds provided under the authority of that Article, and the Sanitary Board shall not exercise or carry out any authority or power given it so as to bind the Board or the City beyond the extent to which money shall have been or may be provided under the authority of the aforesaid Article 13.

Sec. 13. Construction, etc.. of Works: Management of Works; Authority to Promulgate Rules and Regulations.

The construction. acquisition. improvement, equipment. custody, operation and maintenance of any works for the collection, treatment or disposal of sewage and the collection of revenues therefrom for the service rendered thereby shall be under the supervision and control of the Sanitary Board. After the construction, installation and completion of the works, the Sanitary Board shall operate, manage and control such works and may order and complete any extensions, betterments and improvements of and to the works that the Board may deem expedient if funds therefor be available as provided by law. and shall establish rules and regulations for the use and operation of the works and of other sewers and drains connected therewith so far as they may affect the operation 6f such works, and do all things necessary or expedient for the successful operation thereof-

Sec. 14. Advertisement for Bids: Acceptance and Rejection of Bids.

No contract or agreement with any contractor for labor or material exceeding in the amount the sum of $1.000 shall be made without advertising for bids, which shall be publicly opened and award made to the best bidder, with power in the Sanitary Board to reject any and all bids.

Sec. 15. Sanitary Board Revenue Account.

There is created a fund to be designated as "City of Hinton Sanitary Board Revenue Account", into which shall be placed and deposited all funds derived from rates or charges for service to the users of the system under and by virtue of this Chapter. as well as all miscellaneous receipts from whatever source derived. All expenses of maintenance and operation of the system or works, including the salaries of all officers and employees of the Sanitary Board as such, shall be paid out of the fund, and the Sanitary Board may from time to time spend out of such funds so much thereof as it may deem proper for new construction and extensions of the sewer system or works; and the Sanitary Board shall from time to time make transfers from this fund to the fund designated as "City of Hinton Sewage Bond Interest and Redemption Fund", as established in this Chapter.

Sec. 16. Sewage Bond Interest and Redemption Fund -- Continued; Purpose; Transfers to any Payments from; Required Balance.

The fund, designated as "City of Hinton Sewage Bond Interest and Redemption Fund," is continued in existence. No payments shall be made from this fund except payments upon the interest of the sewer revenue bonds heretofore issued by the City,and for the retirement of those bonds, or for the purchase of such bonds for retirement in advance of the time of their maturity. Transfers may be made from other funds under the supervision and control of the Sanitary Board to this fund, which shall be made and kept to not less than the full amount required by law and by the ordinance authorizing and directing the issuance of said sewage revenue bonds.

Sec. 17. Sanitary Board Depreciation Fund.

There is created a fund to be designated Depreciation Fund into which there shall next be set apart and paid from the Sewer Revenue Fund each month. after making the payments hereinbefore specified into the operation and maintenance fund and the sewer revenue bond and sinking fund as set forth and required by the ordinance authorizing and directing the issuance of said sewer revenue bonds.

Sec. 18. Sanitary Board Reserve Fund.

There is created a fund to be designated Reserve Fund. Withdrawals and disbursements shall be made from the Reserve Fund to meet any deficiencies in the various special funds hereinbefore provided and if there are no such deficiencies in the various special funds hereinbefore provided and there are no such deficiencies then withdrawals and disbursements may be made from the Reserve Fund for the purchase or retirement prior to maturity of bonds issued by the City for account of said sewage system or for any other lawful purpose relating to the sewage system of the City.

Sec. 19. Same -- Method of Making Payments Therefore.

No payment shall be made from the Sewage Bond Interest and Redemption Fund unless authorization shall be made for such payment by the Sanitary Board by an order made at a regular or special meeting and entered upon the minute book thereof: and unless made by a check or draft issued upon such fund, signed by the Mayor as Chairman of the Sanitary Board, and if the Mayor shall be Treasurer thereof, also as Treasurer, and signed by the Treasurer of the Sanitary Board if the Treasurer be other than the Mayor, and countersigned by the Office Manager of the Sanitary Board of the City as such.

Sec. 20. Funds of Board are City Funds: Deposit of Funds.

All of the funds under the supervision and control of the Sanitary Board shall be taken and considered as funds of the City. and shall be deposited in the respective funds designated in this Chapter. in such banks in the City as shall qualify from time to time as depository banks of the City.

Article III. Rates and Charges

Sec. 21. Schedules for Service Inside City.

(a) Monthly rates: There is established a schedule of just and equitable rates or charges, exclusive of industrial waste charges, for the use of, and service rendered by, the municipal sewer system which shall be paid by the owner of each lot, parcel of real estate or building connected with or using such sewer system. Sewer charges, based upon water consumption shall be as follows:

For each 100 gallons of usage, the rate is $ .25
or
For each 1,000 gallons of usage, the rate is $2.50

The minimum monthly charge is $5.50

(b) Multiple Occupancy: In apartment buildings, shopping centers, mobile homes, mobile home courts, or other multiple occupancy situations, each unit shall be required to pay not less than the minimum monthly charge.

(c) Unmetered Users Residential: In locations where the customer has no water meter, charges for sewer service shall be based upon 1,000gallons for each occupant per month, but not less than the minimum monthly rate.

(d) Sewer Connection Charges: The sewer connection fee will be $150 or the actual cost of the connection if higher than $150. Such actxa.1 costs will include payroll, materials and machine time.

(e) Classification of Users: All users are to be classified by the Sanitary Board or its duly authorized representative either by assigning each one a "user classification" category according to the principal activity conducted on the user's premises, by the individual user analyration, or by a combination thereof. The 2 user classifications shall be:

1) For residential and commercial service and
2) For service to establishments producing industrial wastes.

The purpose of such collective and/or individual classification is to facilitate the regulation of wastewater discharges based on wastewater constituents and characteristics to provide an effective means of source control. and to establish a system of charges and fees which will insure an equitable recovery of the Sanitary Board's cost.

(f) Industrial User Charge: All establishments producing industrial wastes shall pay charges determined as provided in of this Chapter.

(g) Delinquency Penalty: On all accounts, not paid in full within 20 days of the billing date, the penalty of 10 per cent will be added to the net amount shown.

Sec. 22. Rates Outside the City.

The rates set forth in this Chapter shall apply to all users of the municipal sewer system within the City, and the rates or charges for all users of the sewers located outside the City whose premises are connected with the interceptor lines of the system, or otherwise, shall be the same as the rates provided in such Section, unless otherwise provided.

Sec. 23. Industrial Waste Cost Recovery Charge Formula.

All users heretofore classified by the Sanitary Board as producing industrial wastes, shall pay an industrial user's industrial cost recovery charge for the treatment of industrial waste which shall be calculated on the basis of the following formula:

CieVoVi+BoBi+SoSi

Ci = Charge to industrial users per year.

Vo = Average unit cost of transport and treatment chargeable to volume, in dollars per gallon.
Vi = Volume of wastewater from industrial users in gallons per year.
Bo - Average unit cost of treatment, chargeable to biochemical oxygen demand (BOD), in dollars per pound.
Bi = Weight of BOD from industrial users in pounds per year.
So = Average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pounds.
Si = Weight of total solids from industrial users in pounds per year.

Sec. 24. Charges Constitute Liens; Enforcement of Liens: Attorney Fees.

All rates or charges imposed by this Chapter, shall, as provided by law, constitute a lien upon the premises served by the sewer works of this City. If any such service rate or charge shall not be paid within 30 days after due, the Sanitary Board shall proceed to collect the amount thereof, together with the penalty of 10 per cent hereinbefore provided for in this Chapter. and a reasonable attorney's fee in a civil action in the name of the City, and in connection with such action such lien may be foreclosed against such lot, parcel of land and building, in accordance with the laws relating thereto.

Sec. 25. Free Service Prohibited.

The City will not render or cause to be rendered any free services of any nature by the system nor any of the facilities: and in the event that the City or any Department, Agency. Officer or Employee thereof should avail itself of the services or facilities of the system, the same fees, rates and charges applicable to other customers receiving like service under similar circumstances shall be charged; such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the system.

Article IV. Connections.

Sec. 26. Use of Sewer Facilities Mandatory -- General: Failure to Connect Deemed Public Nuisances; Illegal Dumping of Sewage: Privy Prohibition.

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

(b) Any such building or structure from which emanates sewage or water-borne waster matter and 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 City and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in the Circuit Court of the County or other court of competent jurisdiction.

(c) No person shall dump any sewage into streets or public grounds of the City, nor in or upon any private grounds or premises so that such sewage shall or may become unsanitary or dangerous to the health of any person. No person shall maintain any privy on any property in the City that is within 300 feet of a public sewer.

Sec. 27. Same -- Authority and Procedure to Compel Properties to be Connected.

The Council may require the owner of any property abutting upon any street in which a public sewer belonging to the City has been laid or placed. to connect a sewer leading from such person's property or lot into such public sewer at the nearest practicable point of connection, provided such owner has erected or constructed a building or other improvement on such property or lot, and provided such nearest point of connection shall be within 300 feet of such person's property line. If the Council shall require such owner to make such connection. it shall require at least 10 days notice to be served upon such owner, ordering such owner to make such connection, but such owner although so required. shall not be authorized to make such connection until such owner shall have first obtained a written permit to make such connection in accordance with this division. If the owner of such lot or property thereupon fails or refuses to apply for and obtain such written permit, or after having obtained such permit fails or refuses to make such connection in accordance with this Chapter, after having been given such notice, the Council may thereupon enter upon such lot and construct such sewer and may levy the actual cost thereof, including the tapping fee therefor, against the lot upon which the building or other improvement is built and collect such costs and fee from the owner of such lot in the same manner as City taxes are collected and as provided in the City Charter.

Sec. 28 Permit -- Required to Tap or Connect to Public Sewers; Definition of Person.

(a) No person shall tap or connect a private sewer with any public sewer of the City, whether lying within or without the corporate limits, without first paying a tapping fee.

(b) The word "person" as used in this Section and Section 28; shall include the person performing the act therein prohibited and any contractor. subcontractor or manager or foreman directing such work to be done if the contractor or subcontractor is a corporation; and the owner who authorizes such work to be done, or. if the owner or one of the owners is a corporation, the office thereof directing such work to be done.

Sec. 29. Same -- Required to Tap or Connect to Private Sewer connected to Public Sewer.

(a) Where there is a private drain or sewer connected with a public sewer of the City, whether within or without the corporate limits, no person shall connect therewith another private drain or sewer which serves or is to serve any building or other improvement, without first paying the tapping fee and obtaining the issuance of a written permit to do so, for each building or other improvement so connected thereto, as provided in this Chapter.

(b) If such private sewer or drain, already connected with the public sewer, shall serve or shall have served a building or other improvement which has been partially or wholly destroyed by fire, or which is partially or wholly dismantled or torn down preparatory to the erection of a new building or improvement, or which is being remodeled or improved: before such remodeling or improving and thereafter, no person shall connect with such private drain or sewer, (already connected with a public sewer) any such building or improvement, without first obtaining the issuance of a written permit to do so provided in this Article and without first paying the tapping fee (if any) therefor.

(c) Upon the payment of the tapping fee therefor, the Office Manager of the Sanitary Board of the City of Hinton shall credit the tapping fee paid for the connection of the previous building or other improvement so partially or wholly destroyed by fire, or dismantled or town down, or remodeled as aforesaid. Unless the applicant for such new written permit shall furnish the Office Manager of the Sanitary Board of the City of Hinton with documentary proof that such former tapping fee paid was for a different amount, exactly specified in such documentary proof, the credit so allowed upon such tapping fee shall conclusively be presumed to be $25.

Sec. 30. Same -- Issuance Upon Application and Payment of Fee: Separate Permit and Fee Required for Each Improvement; Garages; Expiration.

(a) The Office Manager of the Sanitary Board of the City shall. upon application and upon the payment in cash of the proper tapping fee as set

forth in this Chapter. issue to such applicant a written permit to tap or connect. either directly or indirectly. to the public sewers of the City a private drain or sewer from any building or other improvement. A separate written permit shall be issued and a separate fee shall be paid for each building or other improvement. so connected directly or indirectly with such public sewer.

(b) Any building or improvement not constituting an integral part of another building or improvement, although appurtenant thereto. whether located on the same or another lot, shall be considered a separate building or improvement for the purposes of this Chapter. requiring a separate permit and the payment of a separate fee. A garage apartment shall be considered such a separate building or improvement.

(c) A permit properly issued pursuant to this Chapter to tap or connect to a public sewer, unless revoked, shall be an authorization to the holder thereof to make the connection therein described within 1 year from the date of issuance thereof. but after the end of such year all rights of the holder to make such connection shall cease.

Sec. 31. Same -- Misrepresentation of Cost of Building, etc.. to be Connected to Public Sewer.

No person shall knowingly or fraudulently misrepresent to the Recorder-Treasurer the actual construction cost of any building or other improvement to be connected, directly or indirectly, to any public sewer of the City, nor obtain a written permit to connect such building or other improvements by virtue of such misrepresentation.

Sec. 32. Construction of New Lateral or Extension Line -- Authorized; Determination of Fee.

The Sanitary Board may, by order duly entered on its records, determine that the proposed construction of an extension or lateral line of the public sewers of the City, whether within or without the City, will entail a cost beyond the revenues to be derived from fees for tap-ins made along such extension and in such case the Sanitary Board may determine a special schedule of fees for tappings to be made along such extension or lateral line by order entered of record. After such special schedule of fees shall have been determined, if a majority of the owners of buildings or other improvements to be served thereby shall nevertheless file a written petition with the Sanitary Board containing such special schedule of fees and petitioning the Board to make such extension and charge such schedule of fees, then the Sanitary Board may make such extension, and all tapping permits to such extension, or lateral line issued in accordance with this Article shall, as a prerequisite to the issuance thereof, require the payment of the tapping fee in accordance with such special schedule.

Sec. 33. Same -- How Advancements for New Construction Made, Recorded and Repaid.

(a) If any person shall desire that a lateral or extension be made of a public sewer line belonging to the City, located in or out of the corporate limits, and if the Sanitary Board shall be of the opinion that funds cannot be spared for the building or extension of such line, the Sanitary Board is authorized in its discretion to enter into a written contract on behalf of the City with such person, whereby a part of all of the cost of constructing such extension or lateral line shall be advanced to the City without interest by such person, with the understanding and agreement that such funds advanced shall be repaid without interest from time to time to such person out of tapping fees in accordance with the general schedule of fees for tapping at such time in force, received from tappings or connections with such extension or lateral line from time to time, until such advancement to be repaid in full, but without interest. Such agreement to be effective shall be in writing, shall be submitted to and approved by the City Solicitor and the council, and spread upon the record book of the Council at the time of such approval; and upon approval being given, the Mayor shall execute such agreement on behalf of the City. When the agreement is made, as aforesaid, the Office Manager of the City shall enter an account upon a ledger book of the City. which account shall shown the persons making such an advance and shall describe the extension or lateral line constructed with reasonable accuracy: and the amount advanced, together with the repayments thereon, from time to time, shall be en-

tered on such account. Such ledger accounts shall all be kept in a separate ledger book maintained for that purpose.

(b) Such contract may. in the discretion of the Sanitary Board. provide that such advancement shall be repaid only out of fees received from the advancement maker alone, for tapping permits along such extension or lateral line, or in the discretion of the Sanitary Board, from fees received from the advancement maker for tappings made on any of the City sewers; but in either case no money shall actually be exchanged when a permit is issued to the advancement maker. but credit shall be made on the ledger, and the permit shall state that the "fee herefor has been immediately returned to grantee hereof upon a contract of reimbursement for advancement, without deposit in City funds."

(c) No contract for the future issuance of a sewer permit shall hereafter be made, and no contract for repayment of an advancement made hereafter shall be valid unless strictly in accordance with the terms of this ordinance.

Sec. 34. Collection of Tapping Fees.

In addition to the collection of the penalties for violating any of the provisions or requirements of this Chapter, the City may. in a civil action. collect the amount of tapping fees due the City prescribed in this Chapter in case such person shall, without the written permit specified, make any of the connections described in this Article, and may in a civil action recover any additional amount due to the City under this Article after such amount shall have been determined by the Sanitary Board.

Sec. 35. Procedure required for Tapping; Compliance Mandatory.

The holder of a tapping permit shall apply to the Sanitary Board or any authorized employee thereof for the tapping to be made, and the Sanitary Board, through its authorized employees, shall proceed to make the tapping or connection desire, and the employee making this tapping or connection shall sign such person's name to the owner's copy of the sewer permit issued by the Office Manager of the Sanitary Board of the City and to the copy furnished by the Office Manager of the Sanitary Board of the City as a work order at the time the tapping or connection is to be made, and shall return the copy furnished by the Office Manager of the Sanitary Board of the City as a work order to the office of the Office Manager of the Sanitary Board of the City immediately after completing the tapping or connection. It shall be unlawful for any tap or connection to be made by an person in any manner except as provided in this section.

Sec. 36. Disconnection of illegal taps.

If any person shall, without first obtaining a permit as provided in this Chapter, tap or connect a private drain, sewer or building, either directly or indirectly, or violate any provision of this Chapter, the Sanitary Board may, in addition to the other penalties or remedies herein provided for. disconnect such drain. sewer or building.

Article V. Use of Sewers

Sec. 37. Right of City to Restrict Use of System During Emergency.

In case of emergency, the City shall have the right to restrict the use of any part of the system in any reasonable manner for the protection of the system and the inhabitants of the City.

Sec. 38. Willful or Negligent Damage to Sewers, Appurtenances. Etc. Prohibited: Restoration by Offender.

(a) It shall be unlawful for any person willfully or negligently to damage, deface, mar, take away or destroy any part. portion, section or appurtenance of any public sewer or the sewer system or sewage disposal plant of the City, including sewer lines. sections, joints or connections of a sewer line, manhole, or any pert of appurtenance of a manhole or a sewer line, water line to or from a sewage disposal plant. or any structure, building. improvement or appurtenance thereto or constituting a part thereof, and including all

tools, appliances, equipment or fixtures used in connection with such disposal plant, whether located within or without the City.

(b) If any person shall willfully, negligently or otherwise damage, deface, mar, take away or destroy any part, portion, section or appurtenance of any public sewer or the sewer system or sewage disposal plant of the City, including sewer lines, sections, joints, or connections of a sewer line, manhole, or any part or appurtenance of a manhold or a sewer line, water line to or from a sewage disposal plant, or any structure, building, improvement or appurtenance thereto or constituting a part thereof, and including all tools, appliances, equipment or fixtures used in connection with such disposal plant, whether the same be located within or without the City, such person shall at once repair, return, restore or replace the same in the same condition as before.

Sec. 39. Same -- Duty of Offender to Notify City Officers.

Any person who shall, whether willfully, negligently or otherwise, damage, deface, mar, take away or destroy any part, portion, section or appurtenance of any public sewer or the sewer system or sewage disposal plant of the City, including sewer lines, manhole, or any part or appurtenance of a manhold or a sewer line, water line to or from a sewage disposal plant, or any structure, building, improvement or appurtenance thereto or constituting a part thereof, and including all tools, appliances, equipment or fixtures used in connection with such disposal plant, whether the same be located within or without the City, shall immediately notify the Mayor or Office Manager of the Sanitary Board of the City or the City Manager, of the nature and full extent of such damage or destruction.

Sec. 40. Trespassing at Disposal Plants.

No person shall trespass upon the enclosure or grounds of sewage disposal plants of the City.

Sec. 41. Causing Vile Odors to Escape from Sewers.

No person shall remove any sink, basin, stationary tub, commode or other sanitary equipment connected in any manner with any public sewer in the City, so as to allow to escape from such public sewer, or any connection therewith, vile odors, gases or sewer gas to the annoyance, injury or inconvenience of any person in the City.

Sec. 42. Substances Prohibited in Sanitary Sewers -- Generally.

No person shall wash, throw or place, or cause to be washed, thrown or placed in any sanitary sewer of the City, on in any private connection, opening or leading thereto, any storm water, ground water, roof run-off, subsurface drainage, surface or drain water, or any sand, mud or soil, rags, waste, oil, grease, gasoline, kerosene or other petroleum based substance, or other matter or substance other than ordinary sewage or any of the substances, materials, waters or wastes as provided in Section 43 following.

Sec. 43. Same -- Prohibited Discharges Enumerated.

No person shall discharge or cause to be discharged to any public sewer any of the following described substances, materials, waters or wastes:

(a) any liquid or vapor having a temperature higher than 150 degrees Fahrenheit (65 degrees celsius).

(b) Any water or wastes which contain grease or oil or other substance that will solidify or become discernibly viscous at temperatures between 32 degrees to 150 degrees Fahrenheit.

(c) Any waste or wastes containing emulsified oil or grease exceeding, on analysis, an average of 10 parts per 1.000,000 (83.3 pounds per 1,000,000 gallons) of either soluble matter.

Note: The poundage permitted per day from any establishment may be subsequently limited depending upon soluble content of the sewage delivered to the wastewater treatment works.

(d) Any gasoline, benzene, naphtha, fuel oil. mineral oil or other flammable or explosive liquid. "solid or gas".

(e) Any water or wastes that contain more than 10 parts per 1.000,000 by weight of the following gases: hydrogen sulfide, sulphur dioxide or nitrous oxide.

(f) Any garbage that has not been properly comminuted or triturated.

(g) Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar. plastics, wood, manure, hair and fleshings, entrails, lime slurry, lime residues, beer or distillery slops, chemical residues, paint residues, cannery waste bulk solids, or any other solid or viscous substance capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the wastewater works. (1989.)

(h) Any water or wastes that contain phenols in excess of 0.001 part per 1,000,000 by weight. These limits may be modified if the aggregate of contributions throughout the metropolitan area of service create treatment difficulties, or produce a plant effluent discharge to the receiving waters which may be prohibitive.

(i) Any waters or wastes, acid or alkaline in reaction, and having corrosive properties capable of causing damage or hazard to structures, equipment and personnel of the wastewater works. Free acids and alkalis of such water and wastes must be neutralized, at all times, within a permissible range of pH, between 6.0 and 9.0.

(j) Any waters or wastes containing a toxic or poisonous substance in sufficient quantity to damage or interfere with any sewage treatment'zrocess, constitute a hazard to humans or animals, to create any hazard in the receiving waters or storm water overflows or in the effluent of the wastewater treatment plant. Materials such as copper, zinc, chromium, and similar toxic substances shall be limited to the following average quantities in the sewage as it arrives at the treatment plan and at no time shall the hourly concentration at the wastewater treatment plant exceed 3 times the average concentration:

	Parts Per Million
Iron as Fe	.15
Chromium as Cr (hexavalent)	.05
Copper as Cu	.03
Arsenic	.01
Barium	.50
Cadmium	.01
Lead	.05
Silver	.05
Selenium	.01
Nitrates	.45
Chlorides	.100
Phenols	.001
Cyanides	.025
Fluorides	1.0

and with contributions from individual establishment subject to control in volume and concentration by wastewater treatment plant superintendent.

(k) Any cyanides, in excess of .025 part per 1.000.000 by weight as CN in the wastes from any outlet into the public sewers.

(l) Any water or wastes containing the discharge of strong acid iron pickling wastes. or concentrated plating solutions, whether neutralized or not.

(m) Any water containing suspended solids of such character and quantity that unusual provisions, attention or expense is required to handle such materials at the wastewater treatment plant.

(n) Any noxious or malodorous gas or substance. which either singly or by interaction with other wastes, is capable of creating a public nuisance or hazard to life or preventing entry into sewers for their maintenance or repair.

(c) Any wastewater that, for a duration of 15 minutes has a concentration greater than 5 times that of "normal wastewater"; as measured by suspended solids and BOD, and/or which is discharged continuously at a rate exceeding 1,000 gallons per minute.

Sec. 44. Same -- Alternatives available for prohibited substances.

(a) If any waters or wastes are discharged or are proposed to be discharged to the public sewers, which waters contain the substances or possess the characteristics enumerated in Section 43, and which may have a deleterious effect upon the wastewater facilities, processes, equipment, or receiving waters, or which otherwise create a hazard to life or constitute a public nuisance, as determined by the Sanitary Board or its duly authorized representative. the Sanitary Board or duly authorized representative may:

i) Reject the wastes;
ii) Require the pretreatment to an acceptable condition for discharge to the public sewers;
iii) Require control over the quantities and rates of discharge; and/or
iv) Require payment to cover added cost of handling and treating the wastes not covered by existing taxes or sewer charges under the provisions of Section 21.

(b) When considering the above alternatives, the Sanitary Board or its duly authorized representative shall give consideration to the economic impact of each alternative on the discharger. If the Sanitary Board or its duly authorized representative permits the pretreatment or equalization of waste flows, the design and installation of the plants and equipment shall be subject to the review and approval of the Sanitary Board or its duly authorized representative.

Sec. 45. Interceptors.

Grease, oil and sand interceptors shall be provided when, in the opinion of the Sanitary Board or its duly authorized representative, they are necessary for the proper handling of liquid wastes containing floatable grease in excessive amounts. as specified in Section 42, or any flammable wastes, sand or other harmful ingredients; except that such interceptors shall not be required for private living quarters or dwelling units. All interceptors shall be of a type and capacity approved by the Superintendent, and shall be located as to be readily and easily accessible for cleaning and inspection. In the maintaining of the interceptors the owners shall be responsible for the proper removal and disposal by appropriate means of the captured material and shall maintain records of the dates and means of disposal which are subject to review by the Superintendent. Any removal and hauling of sand-collected materials not performed by owners personnel must be performed by currently licensed waste disposal firms.

Sec. 46. Pretreatment or Flow-equalization Facilities.

(a) Where pretreatment or flow-equalizing facilities are provided or required for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the owners at their expense.

(b) When required by the Sanitary Board or its duly authorized representative, the owner of any property serviced by a building sewer carrying industrial wastes shall install a suitable structure together with such necessary meters and other appurtenances in the building sewer to facilitate observation, sampling and measurement of the wastes. Such structure, when required, shall be accessibly and safely located and shall be constructed in accordance with plans approved by the Sanitary Board or its duly authorized representative. The structure shall be installed by the owner at the owner's expense and shall be maintained by the owner so as to be safe and accessible at all times.

Sec. 47. Discharge Reports - Generally.

The Sanitary Board may require that any person discharging or proposing to discharge wastewater into a community sewer, file a periodic discharge report. The discharge report may include, but not be limited to, nature of

process. volume, rates of flow, mass emission rate, production quantities. hours of operation, number and classification of employees, or other information which relates to the generation of waste including wastewater discharge. Such reports may also include the chemical constituents and quantity of liquid or gaseous materials stored on site even though they are not normally discharged. In addition to discharge reports, the Sanitary Board may require information in the form of Wastewater Discharge Permit applications and self-monitoring reports.

Sec. 48. Same -- Information Which may be Required; Testing Standard.

(a) The Sanitary Board or its duly authorized representative may require a user of sewer services to provide information needed to determine compliance with this division. These requirements may include:

i) Wastewater discharge peak rate and a volume over a specified time period;
ii) Chemical analyses of wastewater:
iii) Information on raw materials. processes and products affecting wastewater volume and quality;
iv) Quantity and disposition of specific liquid, sludge. oil. solvent or other materials important to sewer use control;
v) A plot plan of sewers of the user's property showing sewer and pretreatment facility location;
vi) Details of wastewater pretreatment facilities;
vii) Details of systems to prevent and control the losses of materials through spills to the municipal sewer.

(b) All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in this Chapter shall be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater". published by the American Public Health Association. Sampling methods, location, times, durations and frequencies are to be determined on an individual basis subject to approval by the Sanitary Board or its duly authorized representative.

Sec. 49. Wastewater Discharge Permits.

(a) Mandatory permits: Each "major contributing industry" as defined in Section 1, or other users with a discharge equivalent to the major contributing industry, if not connected to a community sewer, must obtain a Wastewater Discharge Permit before connecting to or discharging into a community sewer. Each currently connected "major contributing industry" or equivalent user must possess a current Wastewater Discharge Permit.

(b) Optional permits: The Superintendent may issue a Wastewater Discharge Permit to any user, upon application, in accordance with the terms of this section in the following categories:

i) A user who requests charges and fees to be based an an estimate of wastewater flow:
ii) Any user whose wastewater strength is less than the normal range for the user classification to which such user is assigned because of pretreatment. process changes or other reasons.

(c) Permit application: Users seeking a Wastewater Discharge Permit shall complete and file with the Superintendent, an application in the form as prescribed by the Superintendent, and accompanied by the applicable fees. The applicant may be required to submit, in units and terms appropriate for evaluation, the following information:

i) Name, address and standard industrial classification number of applicant;
ii) Volume of wastewater to be discharged:
Wastewater constituents and characteristics including but not limited to those mentioned in section seven as determined by a laboratory approved by the agency;
iv) Time and duration of discharge;
v) Average and 30 minute peak wastewater flow rates, including daily, monthly and seasonal variations, if any;

vi) Site plans. floor plans. mechanical and plumbing plans and details to show all sewers and appurtenances by size. location and elevation;

vii) Description of activities, facilities and plant processes on the premises including all materials. processes and types of materials which are or should be discharged;

viii) Each product produced by type, amount and rate of production:

ix) Number and type of employees and hours of work:

x) Any other information as may be deemed by the Sanitary Board or its duly authorized representative to be necessary to evaluate the permit application.

The Sanitary Board or its duly authorized representative will evaluate the data furnished by the user and may require additional information. After evaluation and approval of all the data required. the Sanitary Board or its duly authorized representative may issue a Wastewater Discharge Permit subject to terms and conditions provided herein.

(d) Permit Conditions: Wastewater Discharge Permits shall be expressly subject to all provisions of this Chapter and all other ordinances. regulations. charges and fees established by the Sanitary Board. The conditions of Wastewater Discharge Permits shall be uniformly enforced by the Sanitary Board or its duly authorized representative in accordance with this Chapter, and applicable state and federal regulations. Permits may contain the following:

i) The unit charge or schedule of charges and fees for the wastewater to be discharged to a community sewer:

ii) The average and maximum wastewater constituents and characteristics:

iii) Limits on rate and time of discharge or requirements for flow regulation and equalization:

iv) Requirements for installation of inspection and sampling facilities:

v) Pretreatment requirements:

vi) Specifications for monitoring programs, which may include sampling locations, frequency and method of sampling, number, types and standards for tests and reporting schedule;

vii) Requirements for submission of technical reports or discharge reports:

viii) Requirements for maintaining plant records relating to wastewater discharge as specified by the Sanitary Board, affording Sanitary Board access thereto;

ix) Mean and maximum emission rates or other appropriate limits when incompatible pollutants are proposed or present in the user's wastewater discharge,

x) Other conditions as deemed appropriate by the Sanitary Board to insure compliance with this Section.

(e) Duration of Permits: Wastewater Discharge Permits shall be issued for a specified time period, not to exceed 5 years. A permit may be issued for a period less than a year or may be stated to expire on a specific date. If the user is not notified by the Sanitary Board 30 days prior to the expiration of the permit. the permit shall be extended in a period not to exceed 1 additional year. The terms and conditions of the permit may be subject to modification and change by the Sanitary Board during the life of the permit as limitations or requirements as identified in subsection (d) of the Section are modified and changed. The user shall be Information of any proposed changes in the permit at least 30 days prior to the effective date of change. Any changes or new conditions in the permit shall include a reasonable time schedule for compliance.

(f) Transfer of Permit: Wastewater Discharge Permits are issued to a specific user for a specific operation. A Wastewater Discharge Permit shall not be reassigned or transferred or sold to a new owner. new user, different premises or a new or changed operation.

(g) Revocation of Permit: Any user who violates the conditions of the Wastewater Discharge Permit, any provisions of this Chapter, applicable State and Federal regulations, or any of the following, is subject to having such user's permit revoked:

i) Failure of user to factually report the wastewater constituents and characteristics of such user's discharge.

ii) Failure of the user to report significant changes in operations, or wastewater constituents and characteristics; or.

lit) Refusal of reasonable access to the user's premises for the purpose of inspection or monitoring.

Sec. 50. Monitoring Facilities.

(a) Users who propose to discharge, or who the Sanitary Board or its duly authorized representative determine could discharge now or in the future. wastewater with constituents and characteristics different from that produced by a domestic premises will be required to install a monitoring facility.

(b) When one or more users can discharge into a common building. the Sanitary Board may require installation of a separate monitoring facility for each user. In addition, upon determination by the Sanitary Board or its duly authorized representative that there is a significant difference in wastewater constituents and characteristics produced by different operations of a single user. the Sanitary Board or its duly authorized representative may require that separate monitoring facilities be installed for each separate discharge.

(c) Monitoring facilities that are required to be installed shall be constructed, operated and maintained at the user's expense. The purpose of the facility is to enable inspection. sampling and flow measurement of Wastewater produced by a user. If sampling or metering equipment is also required by the Sanitary Board, it shall be provided, installed and operated at the user's expense. The monitoring facility will normally be required to be located on the user's premises outside of the building. The Sanitary Board may. however, when such a location would be impractical or causd undue hardship on the user. allow the facility to be constructed in the public street or sidewalk area, with the approval of the public agency having jurisdiction over that street or sidewalk, and located so that it will not be obstructed by landscaping or parked vehicles.

(d) If the monitoring facility is inside the user's fence, there shall be accommodations to allow safe and immediate access for Sanitary Board personnel, such as a gate secured with a Sanitary Board lock. There shall be ample room in or near such facility to allow accurate sampling and compositing of samples for analysis. The entire facility and the sampling and measuring equipment shall be furnished and maintained at all times in a 'safe and proper operating condition by and at the expense of the user.

(a) Whether constructed on public or private property, the monitoring facilities shall be constructed in accordance with the Sanitary Board's requirements and all applicable local agency construction standards and specifications. When, in the judgment of the Sanitary Board. an existing user requires a monitoring facility, the user will be so notified in writing. Construction must be completed within 90 days following written notification unless a time extension is otherwise granted by the Sanitary Board.

Sec. 51. Inspection and Sampling.

The Sanitary Board may inspect the facilities of any user to ascertain whether the purpose of this Chapter is being met and all requirements are being complied with. Persons or occupants of premises where wastewater is created or discharged shall allow the Sanitary Board or its representative ready access at all reasonable times to all parts of the premises for the purposes of inspection or sampling or in the performance of any of their duties. The Sanitary Board shall have the right to set up on the user's property such devices as are necessary to conduct sampling or metering operations. Where a user has security measures in force which would require proper identification and clearance before entry into their premises, the user shall make necessary arrangements with their security guards so that upon presentation of suitable identification. personnel from the Sanitary Board will be permitted to enter without delay for the purposes of performing their specific responsibilities.

Sec. 52. Pretreatment.

Users shall make wastewater acceptable under the limitations established herein before discharging into any community sewer. Any facilities required

to pretreat wastewater to a level acceptable to the Sanitary Board shall be provided and maintained at the user's expense. Detailed plans showing the pretreatment facilities and operating procedures shall be submitted to the Sanitary Board for review, and shall be approved by the Sanitary Board before construction of the facility. The review and approval of such plans and operating procedures will in no way relieve the user from the responsibility of modifying the facility as necessary to produce an effluent complying with the provisions of this Chapter. Any subsequent changes in the pretreatment facilities or method of operation shall be reported to and be approved by the Sanitary Board.

Sec. 53. Protection from Accidental Discharge.

(a) Each user shall provide protection from accidental discharge of prohibited materials or other wastes regulated by this Chapter. Facilities to prevent accidental discharge of prohibited materials shall be provided and maintained at the user's expense. Detailed plans showing facilities and operating procedures to provide this protection shall be submitted to the Sanitary Board for review, and shall be approved by the Sanitary Board before construction of the facility.

(b) The review and approval of such plans and operating procedures will in no way relieve the user from the responsibility of modifying the facility as necessary to provide the protection necessary to meet the requirements of this Chapter.

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

PETITION OF SANITARY BOARD

The Sanitary Board of The City of Hinton (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewerage 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 Sewer Revenue Bonds , Series 2009 A to be in an amount not to exceed $2,500,000 and Sewer Revenue Bonds, Series 2009 B in an amount not to exceed $2,500,000, for the purpose of financing the costs of certain additions, betterments and improvements and acquisition and construction of certain improvements to the existing public sewerage system of the City, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 20th day of August, 2009.

THE CITY OF HINTON

By: _____
Its: Chairman

414550.00004

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL RESOLUTION, SWEEP RESOLUTION AND DRAW RESOLUTION

The undersigned Recorder of The City of Hinton (the "City") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the City.

* * * * * * * * *

The Council of the City met in regular session, pursuant to notice duly given, on the 17th day of November, 2009, in Hinton, West Virginia, at the hour of 7:00 p.m.

PRESENT:	Joseph Blankenship	-	Mayor
	Cris Meadows	-	Recorder
	Larry Meador	-	Councilman
	Tommy Oxley	-	Councilman
	Pat Jordan	-	Councilman
	Bobby Basham	-	Councilman

ABSENT: None

Joseph Blankenship, Mayor, presided, and Cris Meadows, acted as Recorder.

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor presented a proposed Supplemental Resolution and Conformed Bond Ordinance in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM) AND SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA) OF THE CITY OF HINTON; APPROVING AND RATIFYING THE ARRA ASSISTANCE 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, on motion duly made by Larry Meador and seconded by Tommy Oxley, it was unanimously ordered that the above-entitled Supplemental Resolution and Conformed Bond Ordinance be finally enacted and put into effect immediately.

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Pat Jordan and seconded by Tommy Oxley, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Bobby Basham and seconded by Pat Jordan, it was unanimously ordered that the said Sweep Resolution be adopted.

* * * * * * * * *

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of The City of Hinton 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 2nd day of December, 2009.

Recorder

11.11.09
414550.00004

Acts of
City Council of Hinton
Regular Meeting
Tuesday August 18, 2009
7:00 p.m. -- Hinton Technology Center

1. **Call to order / Roll Call** – Mayor Blankenship opened the meeting and stated let the record show all are present. Councilman Tommy Oxley, Councilman Larry Meador, Councilman Pat Jordan, Councilman Bob Basham, City Manager Cris Meadows, and City Attorney Richard Gunnoe.
2. **Invocation / Pledge of allegiance** – Lynn Maddy led the devotions and Council led the pledge.
3. **Approval of Agenda** – Councilman Meador moved to approve the agenda. Councilman Oxley seconded the motion and the motion passed by unanimous consent.
4. **Approval of Minutes July 21, 2009** – Councilman Jordan moved to approve the minutes. Councilman Basham seconded the motion and the motion passed by unanimous consent.
5. **Approval of July 2009 paid invoices** – Councilman Jordan moved to approve the paid invoices. Councilman Oxley seconded the motion and the motion passed by unanimous consent.
6. **Approval of July 2009 financials** – Councilman Jordan moved to approve the financials. Councilman Basham seconded the motion and the motion passed by unanimous consent.
7. **Approval of Unpaid Invoices** – Councilman Jordan moved to approve the unpaid invoices. Councilman Oxley seconded the motion and the motion passed by unanimous consent.
8. **Approval of building permits** – Councilman Jordan moved to approve the building permits. Councilman Basham seconded the motion and the motion passed by unanimous consent.
9. **Appearance of Citizens** – Jamie Muslin with Capitol Electronics spoke about warning sirens and public warning signals. She stated there may be some grants to help purchase these. Gary Garten spoke about closing the park and the loitering laws. Cleo Mathews spoke about the swimming pool and asked for assurance from council that an over twenty one adult lifeguard be present at all times. Tim Adkins spoke about his time with the police department and his personal items missing that he would like to be reimbursed for. Council told him to bring a list of items to Cris and they would be presented to council. Fred Long gave an update on the festival of the rivers and stated that they were spending two thousand dollars on advertising this year and Taylor Made is the headlining group.
10. **Approval of hiring paid call fireman** – Councilman Oxley moved to hire Jackie Ratliff as a paid call fireman. Councilman Meador seconded the motion and the motion passed by unanimous consent.
11. **Discussion and or action concerning Skate park at the Summers Street Court** – Mayor Blankenship asked to include both items 11 and 12 together because he would like to move the skate park to the Summers Street location and build a basketball court at the Sidetrack Park. Councilman Oxley moved to change the location of the skate park to Summers Street and to order the ramps immediately and build a basketball court in the spring. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes.
12. **Discussion and or action concerning basketball court at City Sidetrack Park**
13. **Discussion and or action concerning changes in the employee handbook** – Mayor Blankenship stated he would like to change the employee handbook to reflect the following that three days of bereavement pay be issued to an employee who loses a grandparent and he asked for a motion as such. Councilman Meador moved to amend the bereavement pay policy to include grandparents. Councilman Oxley seconded the motion and the motion passed on a vote of all ayes.

14. **Discussion and or action concerning purchasing pagers for fire department** – Steve Pack stated that by ordering replacement pagers now we qualified for a substantial rebate. Councilman Oxley moved to spend the $2,625.08 to purchase the pagers. Councilman Meador seconded the motion and the motion passed on a vote of all ayes.
15. **Discussion and or action concerning to consider on first reading and act upon a proposed bond ordinance providing for the issuance of its Sewer Revenue Bonds, Series 2009 A and Sewer Revenue Bonds, Series 2009 B (the "Bonds"). The proceeds of the bonds will be used (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewer system of the City.** – Mayor Blankenship read the agenda item and Cris Meadows stated this was to secure the funding for the Goldcoast project and we had been awarded $1,662,000 toward the construction of this sewer line extension. Councilman Oxley moved to approve the first reading of the sewer ordinance. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes.
16. **Discussion and or action concerning Council President** – Mayor Blankenship read information he had researched stating how council president had been select in the past. Councilman Jordan stated that due to his experience and proven track record he moved to appoint Larry Meador as the Council President for the City of Hinton. Councilman Basham seconded the motion. Councilman Oxley thanked the people for their voices and their support in the election. Councilman Basham stated that Larry Meador was the top vote getter running against 11 other people and he felt deserved the position. The vote was taken and motion passed by a vote of 3-0-1 with Councilman Meador abstaining.
17. **Discussion and or action concerning previous hiring of police officers** – Councilman Basham moved to go into executive session to discuss personnel. Councilman Oxley seconded the motion and the motion passed by unanimous consent at 7:30. Council returned from executive session at 8:00.
18. **Discussion concerning fire station grant** – Mayor Blankenship discussed that we were awarded a $50,000 grant and a long term loan for $1,350,000 from UDSA mostly based on the revenue from the CSC building however their lease has expired and needs renewed. We are currently working on a new lease. Council asked Cris to get bids to tear down all buildings on the two properties where a new station might be built.
19. **Discussion concerning leases** – Mayor Blankenship stated the current lease with IMC has expired and they want to downsize. Cris is currently working with their management to keep them in our building. The Mantech lease will be finalized by the next meeting which should keep them in the Tech Center for eight more years. CSC is currently on a month to month lease for their building and we are contacting them this week about a longer term renewal.
20. **Informational Items**

    Mayor -

    Council – Councilman Meador mentioned the Hilltop cemetery and stated we need to try and make that a part of our road upkeep. Councilman Jordan asked for us to send a letter regarding the increase in the natural gas rates. Councilman Basham reported that Diane Rice has resigned effective October 2, 2009 and stated we will miss her. Councilman Oxley thanked the city employees for their hard work.

    Department Heads- Chief Pivont discussed the testing of the sirens with council.

    Attorney -
21. **Adjournment / Next Regular Meeting September 15, 2009** – Councilman Basham moved for adjournment. Councilman Oxley seconded the motion and the motion passed by unanimous consent.

_____ _____

Cris Meadows/ City Manager

Joseph Blankenship / Mayor

Acts of Hinton City Council
Special Meeting
Tuesday August 25, 2009
7:00 p.m. – Technology Building

1. **Call to Order / Roll Call-** Mayor Blankenship called the meeting to order and said let the record show all are present except Councilman Oxley. City Manager Cris Meadows was also present.

2. **Discussion and or action to consider on second reading and act upon a proposed Bond Ordinance providing for the issuance of its Sewer Revenue Bonds, Series 2009A and Sewer Revenue Bonds, Series 2009 B (the "Bonds"). The proceeds of the bonds will be used (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewer system of the City**. Mayor Blankenship read the agenda item and asked for a motion. Councilman Meador moved to dispense with the reading of the ordinance. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes. Councilman Meador moved to approve the second reading of the sewer ordinance. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes.

3. **Adjournment** – Councilman Basham made a motion to adjourn the meeting. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes.

City Manager Cris Meadows

Mayor Joseph Blankenship

Acts of
City Council of Hinton
Regular Meeting
Tuesday September 15, 2009
7:00 p.m. -- Hinton Technology Center

1. **Call to order / Roll Call** – Mayor Blankenship opened the meeting and stated let the record show all are present. Councilman Oxley, Councilman Meador, Councilman Jordan, Councilman Basham, City Manager Cris Meadows, and Attorney Richard Gunnoe were all present.
2. **Invocation / Pledge of allegiance** – Lynn Maddy led the devotions and Council led the pledge.
3. **Approval of Agenda** – Councilman Meador moved to approve the agenda. Councilman Jordan seconded the motion and the motion passed on a vote of all aye.
4. **Approval of Minutes August 18, 2009 and August 25, 2009**- Councilman Meador moved to approve the minutes of August 18 and August 25. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes.
5. **Approval of August 2009 paid invoices** Councilman Jordan moved to approve the paid invoices for August. Councilman Basham seconded the motion and the motion passed on a vote of all ayes.
6. **Approval of August 2009 financials** Councilman Jordan moved to approve the financials of August 2009. Councilman Meador seconded the motion and the motion passed on a vote of all ayes.
7. **Approval of 2008-2009 yearly financial report** Councilman Jordan moved to approve the 2008-2009 yearly financial report. Councilman Oxley seconded the motion and the motion passed on a vote of all ayes.
8. **Approval of Unpaid Invoices** Councilman Jordan moved to approve the unpaid invoices. Councilman Basham seconded the motion and the motion passed on a vote of all ayes.
9. **Approval of building permits** Councilman Jordan moved to approve the building permits. Councilman Oxley seconded the motion and the motion passed on a vote of all ayes. Council stated that they would like to have the contractors license number added to the forms.
10. **Appearance of Citizens – Margie Temple** spoke regarding the historic Hinton holiday bazaar held yearly in the tech center. She asked for continued use of the facility for the bazaar. Council stated to put it on the next agenda but they didn't see it would be a problem. **Virginia Fitzwater** asked if a correction notice had been served on her neighbor. Chief Martin off on compensation and was unable to answer. **Fred Long** stated that the Festival of the Rivers had its biggest turnout ever. He suggested we have some power issues worked out before next year's festival.
11. **Approval of resolution to adopt a regional hazard mitigation plan** – Mayor Blankenship read the resolution and Councilman Jordan moved to approve the resolution. Councilman Basham seconded the motion and the motion passed on a vote of all ayes.
12. **Discussion and or action concerning resolution to include the Historic District & "the point" & Bateau Beach in New River Gorge National River, Division of National Park Service-** Mayor Blankenship asked Don Striker from the National Park Service to answer any questions regarding the proposed resolution. Councilman Oxley moved to amend the resolution to include the Avis Bridge and approve the resolution. Councilman Meador seconded the motion and the motion passed on a vote of all ayes.

RESOLUTION

The City Council of Hinton, West Virginia, voted to approve the following Resolution dated the 15th day of September, 2009, to be an official act and endorsement of this Council.

First Finding of Fact:

Whereas, the New River flows through Summers County from the Southern county-line to the Northern County line, through the City of Hinton, West Virginia;

Whereas, the New River Gorge National River is a unique resource appropriately designated by the National Park Service as one of 391 units of the national park system;

Whereas, the relationship between the National Park Service and the City of Hinton, West Virginia has benefited the City of Hinton, West Virginia, a gateway to the National River, in the mutual goal of balancing the conservation of our irreplaceable cultural and natural resources with the opportunity for sustainable economic development;

Whereas, the City of Hinton is blessed with several recreational and historical sites, not all of which are currently included within the boundaries of the New River Gorge National River, sites that face increasing threats from neglect and unsustainable development pressure;

Whereas, the Council has determined that it is in the best interest of this City, its citizens, and our nation's citizens if our unique recreational, cultural and natural resources are properly protected. Such protection would afford significant economic development opportunities for our city if certain property, located near or adjacent to the New River Gorge National River were included in the boundaries of the National River and were managed by and in accordance with the rules, regulations, and laws governing the National Park Service. Specifically, this City Council supports the inclusion within the New River Gorge National River boundary of: (1) the **Hinton Historic District**; (2) the area on the New River known as **Bateau Beach or the Hinton Landing and from there extending to the top of the historic overhead bridge**; and (3) the **point at the confluence of the New and Greenbrier Rivers** near the community of Bellepoint. The latter two identified areas are currently owned by the City of Hinton;

Now, Therefore, be it resolved that this Council supports and endorses the re-designation of the boundaries of the New River Gorge National River to include the **Historic District in downtown Hinton, West Virginia**, the area commonly known as **Bateau Beach or Hinton Landing** located in or near the community of Avis, West Virginia **and from there extending to the top of the historic overhead bridge**, and the **point of land at the confluence of the New River and Greenbrier River** in or near Bellepoint, West Virginia currently owned by the City of Hinton.

Further, be it resolved that the City Council of Hinton formally requests that the U.S. Congress include this boundary expansion and re-designate the New River Gorge National River as the New River Gorge **National Park**.

Adopted this **15th** day of September, 2009 by the City Council of Hinton, West Virginia.

13. **Informational Item** - Councilman Meador moved to delete item thirteen and allow for an informational item. Councilman Oxley seconded the motion and the motion passed on a vote of all ayes. Mayor Blankenship thanked Virginia Fitzwater and Betty Basham who presented the city with a check for $2,098.00 raised by Avis Kids to be used for construction of the Skate Park.
14. **Discussion and or action concerning pool lifeguard** – Mayor Blankenship stated he was going on record as saying he planned on hiring a professional certified lifeguard to be present at all times during the pool operation hours.
15. **Discussion and or action to conduct a public hearing and consider on third and final reading and act upon a proposed bond ordinance providing for the issuance of its Sewer Revenue Bonds, Series 2009 A and Sewer Revenue Bonds, Series 2009 B (the "Bonds"). The proceeds of the bonds will be used (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewer system of the City.** Mayor Blankenship read the agenda item and asked for a motion to approve the final reading of the ordinance. Councilman Meador moved to approve the final reading of the bond ordinance. Councilman Oxley seconded the motion and the motion passed on a vote of all ayes.
16. **Discussion and or action concerning hiring Deputy City Clerk** – Mayor Blankenship asked for Cris's recommendation for the position. Cris stated he was recommending Vicky Gunter. Councilman Oxley moved to hire Vicky Gunter on the recommendation of the city manager. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes.
17. **Discussion and or action concerning hiring a 90 day police officer** – Mayor Blankenship stated that at this current time the police department was short handed due to having Officer Mills at the police academy till December, Officer Lucas at the Dog Training school till November, and currently Chief Martin is out on workers compensation. He recommended that Jackie Adkins be hired as a 90 day policeman while we were experiencing these losses. Councilman Oxley moved to hire Jackie Adkins for 90 days on the recommendation of the mayor. Councilman Basham seconded the motion and the motion passed on a vote of all ayes
18. **Discussion and or action concerning Tricities Power Authority members** – Mayor Blankenship requested that council replace former Mayor Cleo Mathews on the Tricities Power Authority with himself. Councilman Oxley moved to replace Cleo Mathews on the Tricities Power Authority with Joe Blankenship. Councilman Meador seconded the motion and the motion passed on a vote of all ayes. Mayor Blankenship did not vote.
19. **Discussion and or action concerning bid opening for demolition-** City Manager, Cris Meadows, opened the bids one at a time and read them allowed for the record. Empire Salvage bid as follows $15,000.00 for the city fire station, $25,000.00 for the old county jail, $15,000.00 for the old welfare building, $15,000.00 for the OR Grimmett building. Whitten Construction bid $84,500.00 to demolish the fire station, jail, and welfare building. Paul Sears logging bid $48,500.00 for the jail, $17,800.00 for the welfare building, $14,200.00 for the fire department and $27,500.00 for the OR Grimmett building. Councilman Oxley moved to approve the bids and accept Empire Salvage as the low bidder stating that we were not ready to tear down these but we needed this bid to help us decide on a site for the new fire station. Councilman Meador seconded the motion and the motion passed on a vote of all ayes.
20. **Discussion and or action concerning bid approval for the Goldcoast project.** – Mayor Blankenship read the resolution which gives him the authority to sign all documents relating to the Gold Coast Sewer project. Councilman Basham moved to approve the resolution as read.

Councilman Jordan seconded the motion and the motion passed on a vote of all ayes. Mayor Blankenship abstained

21. **Discussion and or action concerning the appointment to senior board** - Councilman Meador moved to appoint Councilman Oxley as the city representative on the senior board. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes
22. **Informational Items**

    Council – Councilman Meador asked the manager to look into the money raised for the swimming pool design and find out where it went. Ginny Hatcher had presented the idea to council last year.

    Department Heads – Chief Pivont asked to begin the process of purchasing a new fire truck. He stated that it could take over a year and he would like to begin working towards a new engine. Council agreed to let Ray begin searching out designs and estimates. Cris Meadows stated that he had received two bids to do the new skate park one would be to repave with asphalt for 8,400 and 9,500 to concrete it. Council agreed to spend the money to have it in concrete due to the fact it should last longer with and has a smoother surface.
23. **Adjournment / Next Regular Meeting October 20, 2009** – Mayor Blankenship thanked council and asked for a motion for adjournment. Councilman Oxley moved for adjournment. Councilman Jordan seconded the motion and the motion passed on a vote of all ayes.

_____ _____

Mayor Blankenship **City Manager/ Cris Meadows**

I, Fred Long, publisher of Hinton News a newspaper in Summers County, West Virginia do hereby certify that the annexed Notice was published in said newspaper for two successive times on the following dates, Sept. 1, 8, 2009

THE PRINTERS FEE THEREFORE IN $74.81

Given under my hand this 22 day of September, 20 09

Publisher

State of West Virginia)

County of Summers) to wit:

Subscribed and sworn to before me this 22 day of September, 20 09

My Commission expires January 17, 2015

NOTARY PUBLIC - OFFICIAL SEAL
STATE OF WEST VIRGINIA
NELLIE M. ROBERTSON
406 Cedar Ave., Hinton WV 25951
My commission expires: 1-17-2015

Notary Public

COPY OF PUBLICATION FROM THE HINTON NEWS

LEGAL NOTICE

NOTICE OF PUBLIC HEARING ON THE CITY OF HINTON BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of The City of Hinton (the "City") to be held on Tuesday, September 15, 2009, at 7:00 p.m. at the City of Hinton City Hall, Hinton, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

The City of Hinton

Ordinance authorizing the acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the city of hinton and the financing of the cost thereof, not otherwise provided, through the issuance by the city of hinton of not more than $2,500,000 in original aggregate principal amount of sewer revenue bonds, series 2009 a (West Virginia SRF Program), and not more than $2,500,000 in original aggregate principal amount of sewer revenue bonds, series 2009 B (West Virginia SRF Program/ARRA); 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 an ARRA Assistance 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 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: (i) pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) pay certain costs of issuance hereof and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewer system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of The City of Hinton on August 25, 2009. A certified copy of the above entitled Ordinance is on file with the City for review by interested parties during regular office hours.

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

Cris Meadows, Recorder

HN Sept. 1, 8

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NELLIE M. ROBERTSON
406 CEDAR AVENUE
HINTON, WV 25951
My commission expires January 17, 2015

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 12/2/2009

ISSUE: The City of Hinton
Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)

ADDRESS: P.O. Box 477, Hinton, West Virginia 25951 COUNTY: Summers

PURPOSE OF ISSUE:
New Money: X
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 12/2/2009
CLOSING DATE: 12/2/2009

ISSUE AMOUNT: $1,662,000
RATE: 0%; Administrative Fee N/A

1ST DEBT SERVICE DUE: 100% forgivable
1ST PRINCIPAL DUE 100% forgivable

1ST DEBT SERVICE AMOUNT 100% forgivable
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm:
Contact:
Phone:

CLOSING BANK:
Bank: First Century Bank
Contact:
Phone: 304.466.2311

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Joseph Blankenship
Position: Mayor
Phone: (304) 466-3255

OTHER:
Agency: W.V. Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: (304) 926.0499 (ext. 1608)

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. Fun $
_____ To Other: _____ $

NOTES: The Series 2009 B Bonds are 100% forgivable. The Series 2009 B Bonds Reserve Account will not be funded

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

First Century Bank, Hinton, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Hinton (the "Issuer") enacted by the Issuer on September 15, 2009, and a Supplemental Resolution adopted by the Issuer on November 17, 2009 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated December 2, 2009, in the aggregate principal amount of $1,662,000 (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 2nd day of December, 2009.

FIRST CENTURY BANK

By: _____
Its: Authorized Officer

11.05.09
414550.00004

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The City of Hinton Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated December 2, 2009, in the aggregate principal amount of $1,662,000 (the "Series 2009 B Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2009 B Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2009 B Bonds.

WITNESS my signature on this 2nd day of December, 2009.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

11.05.08
414550.00004

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

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 Hinton (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, dated December 2, 2009, in the principal amount of $1,662,000, numbered BR-1, were 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 Registrar.

WITNESS my signature on this 2nd day of December, 2009.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

11.05.09
414550.00004

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 2nd day of December, 2009, by and between The City of Hinton, 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 $1,662,000 principal amount of Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in fully registered form the "Series 2009 B Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted September 15, 2009, and a Supplemental Resolution of the Issuer duly adopted November 17, 2009 (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 Series 2009 B 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 Series 2009 B Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2009 B 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, if any, on the Series 2009 B 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 Hinton
Post Office Box 477
Hinton, West Virginia 25951
Attention: Mayor

REGISTRAR:
The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301

8. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legal available remedies.

9. The Registrar is hereby requested and authorized to authenticate and deliver the Series 2009 B Bonds in accordance with the Bond Legislation.

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 HINTON

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

11.05.09
414550.00004

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date December 2, 2009

The City of Hinton
Account Number 6089001809

The City of Hinton
Sewer Revenue Bonds, Series 2009 B
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR December, 2009

TOTAL AMOUNT	$	500.00
TOTAL DUE	**$**	**500.00**

* 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: BARRY. . *
* .. GRIFFITH, PO BOX 633, CHARLESTON, WV 25322-0633 . . . . . *

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035

THE CITY OF HINTON
SEWER REVENUE BONDS,
SERIES 1990 A, SERIES 1990 B AND
SERIES 1990 C
and
SEWERAGE SYSTEM
INTERIM CONSTRUCTION FINANCING

BOND AND NOTES ORDINANCE

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THE CITY OF HINTON

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF HINTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $800,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 A, NOT MORE THAN $200,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 B, NOT MORE THAN $800,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 C, JUNIOR AND SUBORDINATE TO THE OUTSTANDING 1960 BONDS OF THE CITY, AND NOT MORE THAN $2,100,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND AUTHORIZING OR RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HINTON:

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 adopted and enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewage treatment, collection and transportation system. However, it is deemed necessary and desirable for the health, safety, advantage, convenience and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements for the existing sewerage facilities of the Issuer, consisting of a .625 MGD activated sludge wastewater treatment plant, a main lift station, approximately 7,010 feet of 12-inch force main, and all appurtenant facilities (the "Project") which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing sewerage facilities of the Issuer, the Project and any further additions, improvements or betterments thereto or extensions thereof is herein called the "System") at an estimated cost of $4,124,000, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all Sinking Funds, Reserve Accounts and other payments provided for herein and in the Prior Ordinance, all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $1,800,000 in three series, being the Series 1990 A Bonds in the aggregate principal amount of not more than $800,000, the Series 1990 B Bonds in the aggregate principal amount of not more than $200,000 and the Series 1990 C Bonds in the aggregate principal amount of not more than $800,000 (collectively, the "Original Bonds"), and (at the option of the Issuer) to issue its sewerage system bond anticipation notes prior to issuance of the Original Bonds and to issue, contemporaneously therewith or as soon as practicable thereafter, its sewerage system grant anticipation notes and/or a note or notes evidencing a line of credit, or any combination of the foregoing (collectively, the "Notes"), in the aggregate principal amount of not more than $2,100,000 to temporarily finance costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the

Notes during the term thereof and upon the Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of construction or acquisition of the Project; amounts which may be deposited in the Reserve Accounts; 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 of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, including, with respect to the Notes, any fees for the providing of a letter of credit, as hereinafter defined, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Original Bonds constituting the Series 1990 A Bonds and the Series 1990 B Bonds be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement (collectively, the "Loan Agreement") to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by supplemental resolution, and, further, it is in the best interests of the Issuer that its Original Bonds constituting the Series 1990 C Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of a Letter of Conditions dated November 17, 1988, and all amendments thereto (collectively, the "Letter of Conditions").

G. There are outstanding obligations of the Issuer which will rank senior and prior to the Bonds as to lien, pledge and sources of and security for payment, being the Sewage Revenue Bonds, dated October 1, 1960, issued in the original aggregate principal amount of $720,000, of which $346,000 remains outstanding as of the date of initial enactment of this Bond Legislation (the "Prior Bonds") and which are presumed to be held by the public. Sufficient funds (including investments and earnings thereon) have been, or, prior to

the issuance of the Original Bonds, will be, irrevocably deposited with the Commission (hereinafter defined) in escrow to pay, when due, the principal of and the interest on the Prior Bonds, thereby effecting an economic defeasance of the Prior Bonds; however, under the terms the Prior Ordinance (as hereinafter defined), the pledge of Net Revenues in favor of the holders of the Prior Bonds shall not be terminated, discharged and released until redemption of all of the Prior Bonds outstanding by payment of the principal amount thereof, the redemption premium, if any, and interest accrued thereon from moneys and proceeds of securities held in the escrow therefor.

The Series 1990 A Bonds and the Series 1990 C Bonds shall be on parity with each other except as otherwise provided herein, but junior and subordinate to the Prior Bonds with respect to lien, pledge and sources of and security for payment and in all other respects. The Series 1990 B Bonds shall be junior and subordinate to the Prior Bonds, the Series 1990 A Bonds and the Series 1990 C Bonds with respect to lien, pledge and sources of and security for payment and in all other respects. The Grant Anticipation Notes, if issued, will not be payable from the Net Revenues, but shall be payable from Grant Receipts, Surplus Revenues, certain proceeds of such Grant Anticipation Notes and proceeds of a letter of credit, if any, all as shall be set forth in the Indenture and/or the Supplemental Resolution authorizing the Notes or such Grant Anticipation Notes. The Bond Anticipation Notes, if issued, will be payable from the proceeds of the Bonds (or individual series thereof), certain proceeds of such Bond Anticipation Notes and the Net Revenues, if necessary and if available, all as shall be set forth in the Indenture and/or the Supplemental Resolution authorizing the Notes or such Bond Anticipation Notes.

Other than the Prior Bonds, there are not outstanding any obligations of the Issuer which will rank senior and prior to or on a parity with the Bonds as to lien, pledge and sources of and security for payment.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition and construction of the Project and the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Bonds or any of the Notes or such final order will not be subject to appeal.

I. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board and the Sanitary Board has petitioned the Council to issue the Bonds and Notes, as needed for the purposes set forth herein.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the net proceeds of the issues of the Original Bonds and the Notes are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(C) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Notes and/or the Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds and the Notes 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 such Noteholders, 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 Bonds and Notes, respectively, 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 between any one Note of a series and any other Note of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"ARC" means the Appalachian Regional Commission and any successor to the functions of the ARC.

"ARC Grant" means the grant from the ARC pursuant to the commitment therefor.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original Bonds constituting the Series 1990 A Bonds and the Series 1990 B Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer or any acting Mayor duly appointed by the Governing Body.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

"Bondholder," "Holder of the Bonds," "Holder" 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 and Notes Ordinance" or "Local Act" means this Bond and Notes Ordinance and all ordinances, orders and resolutions supplemental hereto or **amendatory** hereof.

"Bond Registrar" shall have the meaning stated in Section 3.03 hereof, as applicable.

"Bond Year" means each one-year period (or shorter period from the date of issue of the Original Bonds) that ends at the close of business on the day in the calendar year that is selected by the Issuer, which must be the last day of a compounding interval used in computing the yield on the issue under the Code, and shall be October 1 unless otherwise required under the Code.

"Bonds" means the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

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

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

"Consulting Engineers" means Lawson Engineering and Technical Services, Beckley, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

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

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

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

"EPA Grant" means the grant from the EPA pursuant to the commitment therefor.

"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 may 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 Agreement" means a written commitment for the payment of the EPA Grant or any of the Other Grants, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer; provided that, "EPA Grant Agreement" means only the Grant Agreement relating to the EPA Grant and "Other Grant Agreements" means only those Grant Agreements relating to the Other Grants.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant after the date of issuance of any Grant Anticipation Notes; provided that "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

"Grants" means, collectively, the EPA Grant and the Other Grants, as hereinafter defined.

"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.

"Indenture" or "Trust Indenture" means the Trust Indenture which may, at the Issuer's option, be entered into between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer," "Borrower" or "City" means The City of Hinton, in Summers County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body and the Sanitary Board of the Issuer.

"Letter of Conditions" means the Letter of Conditions of the Purchaser dated November 17, 1988, and all amendments thereto.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement, to be entered into between the Authority and the Issuer providing for the purchase of the Original Bonds constituting the Series 1990 A Bonds and the Series 1990 B Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amounts of the Original Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Reserve Accounts. 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 Original Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Original Bonds and is not acquired in order to carry out the governmental purpose of the Original Bonds.

"Noteholder," "Holder of the Notes" or any similar term means the person, whenever used herein with respect to an outstanding Note or Notes, in whose name such Note is registered.

"Notes" means, collectively, the not more than $2,100,000 in aggregate principal amount of sewerage system bond anticipation notes, grant anticipation notes and/or notes evidencing a line of credit, or any combination of the foregoing, and originally authorized hereby, which may be issued by the Issuer, the terms of which shall be set forth in one or more Supplemental Resolutions, and unless the context clearly indicates otherwise, the terms "Notes" includes any refunding Notes of the Issuer.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund which **may be** established by the Indenture.

"Notes Debt Service Fund" means the Notes Debt Service Fund which **may be** established by the Indenture.

"Notes Registrar" means the bank to be designated as such in the Indenture and/or the Supplemental Resolution and its successors and assigns.

"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, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar,

Paying Agent and the Trustee (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 or Notes, 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.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than $800,000 in aggregate principal amount of Series 1990 A Bonds, the not more than $200,000 in aggregate principal amount of Series 1990 B Bonds and the not more than $800,000 in aggregate principal amount of Series 1990 C Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Original Notes Purchaser" means, in the event Notes are issued, the original purchaser of such Notes, as shall be named in the Supplemental Resolution, and, in the event a note or notes evidencing a line of credit are issued, such bank or banks as shall be named in a resolution supplemental hereto.

"Other Grants" means, collectively, the grant from the ARC, together with any other grant hereafter received by the Issuer to aid in financing any Costs.

"Outstanding," when used with reference to Bonds or Notes and as of any particular date, describes all Bonds theretofore and thereupon being authenticated (where applicable) and delivered or all Notes theretofore and thereupon being authenticated and delivered except (i) any Bond or Note cancelled by the Bond Registrar or Notes Registrar, at or prior to said date; (ii) any Bond or Note, for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder or under the Indenture, as applicable, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond or Note deemed to have been paid as provided in Article X hereof or as provided in the Indenture, as applicable; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or Noteholders, any Bonds or Notes 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 bank or banks or other entity designated as such for the Bonds and/or the Notes in the Indenture or in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

"Prior Bonds" means the Issuer's Sewage Revenue Bonds, dated October 1, 1960, issued in the original aggregate principal amount of $720,000, of which $346,000 remains outstanding as of the date of initial enactment of this Ordinance.

"Prior Ordinance" means the ordinance of the Issuer enacted October 21, 1960, authorizing issuance of the Prior Bond.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the acquisition and construction of certain **additions**, betterments and improvements for the existing **sewerage** facilities of the Issuer, consisting generally of a .625 MGD activated sludge **wastewater** treatment plant, a main lift station, approximately 7,010 feet of 12-inch force main, and all appurtenant facilities.

"Purchaser" or "Government" means the United States Department of Agriculture, Farmers Home Administration, which is expected to be the original purchaser of the Original Bonds constituting the Series 1990 C Bonds, and any successor thereof,

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

(a) Government Obligations;

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

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

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

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

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

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

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

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is 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" or "City Clerk" means the Recorder of the Issuer.

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

"Registrar" means, as appropriate, either the Bond Registrar or the Notes Registrar or both.

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

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

"Revenue Fund" means the Sewer Revenue Fund established or continued by Section 5.01 hereof.

"Sanitary Board" means the Sanitary Board of the Issuer.

"Series 1990 A Bonds" or "Series A Bonds" means the not more than $800,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1990 A, of the Issuer.

"Series 1990 A Bonds Reserve Account" means the Series 1990 A Bonds Reserve Account established in the Series 19 90 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1990 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 1990 A Bonds in the then current or any succeeding year.

"Series 1990 A Bonds Sinking Fund" means the Series 1990 A Sinking Fund established by Section 5.02 hereof.

"Series 1990 B Bonds" or "Series B Bonds" means the not more than $200,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1990 B, of the Issuer.

"Series 1990 B Bonds Reserve Account" means the Series 1990 B Bonds Reserve Account established in the Series 1990 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1990 B Bonds Reserve Requirement" means, as of the .date of calculation, the maximum amount of principal which will become due on the Series 1990 B Bonds in the then current or any succeeding year.

"Series 1990 B Bonds Sinking Fund" means the Series 1990 B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1990 C Bonds" or "Series C Bonds" means the not more than $800,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1990 C, of the Issuer.

"Series 1990 C Bonds Reserve Account" means the Series 1990 C Bonds Reserve Account established by Section 5.02 hereof.

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement. Fund and the Reserve Accounts, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

"System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Issuer, and any improvements, additions, betterments and extensions thereto hereafter constructed or acquired from any sources whatsoever, and includes the Project.

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

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, if any, its successors and assigns.

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction o the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $4,124,000, 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 Notes and the Bonds hereby authorized shall be applied as provided in the Indenture, if any, and Article VI hereof, respectively.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1990 A Bonds and the Series 1990 C Bonds, funding a reserve account for each series of Original Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Original Bonds and related costs, or any one or more of such purposes, as determined by the Supplemental Resolution there shall be and are authorized to be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than $1,800,000. Said Bonds shall be issued in three series, to be designated respectively, "Sewer Revenue Bonds, Series 1990 A," in the aggregate principal amount of not more than $800,000, "Sewer Revenue Bonds, Series 1990 B," in the aggregate principal amount of not more than $200,000, and "Sewer Revenue Bonds, Series 1990 C," in the aggregate principal amount of not more than $800,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Grant Anticipation Notes, if any. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. A. The Series 1990 A Bonds and the Series 1990 B Bonds shall bear interest at such rate or rates, not exceeding the then legal maximum, payable semiannually on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Series 1990 A Bonds and the Series 1990 B Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1990 A Bonds and the Series 1990 B Bonds shall be paid by check or draft of the Paying 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.

B. The Series 1990 C Bonds shall be issued in the form of a single, fully registered Bond in the principal amount of not to exceed $800,000, numbered CR-1, shall be dated the date of delivery thereof and shall be in such principal amount as set forth in a

Supplemental Resolution. The Series 1990 C Bonds shall bear interest from the date of delivery, payable monthly at the rate not exceeding the then legal maximum as the Issuer shall prescribe in a Supplemental Resolution, and shall be sold for the par value thereof. The Series 1990 C Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in a Supplemental Resolution and/or in the Bond form hereinafter set forth.

Unless otherwise provided by the Supplemental Resolution or herein, the Original Bonds shall be issued in the form of a single bond for each series, with the Series 1990 A Bonds and the Series 1990 B Bonds being fully registered to the Authority and the Series 1990 C Bonds fully registered to the Purchaser, with a debt service schedule attached to the Series 1990 A Bonds and Series 1990 B Bonds, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds of each series shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that neither the **Authority nor the Purchaser** shall be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Bonds shall be dated as *of the* date specified in a Supplemental Resolution and shall bear interest from such date except as otherwise expressly provided herein.

Section 3.03. Bond Registrar. A. The Bond Registrar for the Series 1990 A Bonds and the Series 1990 B Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

B. The Issuer shall be the Bond Registrar with respect to the Series 1990 C Bonds and will keep or cause to be kept, at its office, sufficient books *for* the registration and transfer of the Series 1990 C Bonds, and, upon presentation for such purpose, the Issuer shall, under such reasonable regulations as it may prescribe, register the Series 1990 C Bonds initially issued pursuant hereto and register the transfer, or cause to be registered, on such books, the transfer of the Series 1990 C Bonds as hereinafter provided.

The Issuer shall accept the Series 1990 C Bonds for registration or transfer only if ownership thereof is to be registered

in the name of the Government, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust, and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law.

Section 3.04. Execution 21 Bonds. The 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 *any* of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and **sealed** have **been** actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.05. [illegible] 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 forms set forth in Section 3.10, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this **Bond Legislation**. The Certificate of Authentication and Registration on any Bond shall **be** deemed to have been executed **by** the Bond Registrar if manually signed by an **authorized** officer of the Bond Registrar, but it shall not be **necessary** that the same officer sign the Certificate of Authentication and **Registration** on all of the Bonds issued hereunder. The provisions of this Section 3.05 relating to authentication and other provisions of this Bond Legislation relating to authentication of Bonds shall not **apply** to the Series 1990 C Bonds, notwithstanding anything herein to the contrary.

Section 3.06. Negotiability, Transfer and Registration. Subject to the provisions for transfer of **registration** set forth below, the Bonds shall **be** and have all of the **qualities** and incidents of **negotiable** instruments under the Uniform **Commercial Code** of the State of West Virginia, and **each** successive **Holder**, in **accepting** any of said Bonds 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 bops fide holder for value.

So long as any of the Bonds remain outstanding,, the Bond Registrar for the Bonds other than the Series 1990 C Bonds, shall keep and maintain books for the registration and transfer of the respective series of Bonds.

Subject to the provisions of Section 3.03 with respect to the Series 1990 C Bonds, the registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

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

Section 3.07. Bonds Mutilated, Destroyed, Stoleg or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, or the Bond Registrar shall, if so advised by the Issuer, authenticate (where applicable) 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 3.08. Bonds not to be Indebtedness thl Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the respective Reserve Accounts. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.09. Bonds Secured hy Pledge 2f Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of all the Series 1990 A Bonds and all the Series 1990 C Bonds shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System on a parity basis, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Prior Bonds. The payment of the debt service of all the Series 1990 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Prior Bonds, the Series 1990 A Bonds and the Series 1990 C Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds and the Reserve Accounts are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.10. Form 2f Original Bonds. The text of the Original Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby or by any Supplemental Resolution or supplemental ordinance adopted prior to the issuance thereof:

(Form of Series 1990 A Bondi

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HINTON
SEWER REVENUE BOND, SERIES 1990 A

No. AR- $ _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HINTON, a municipal corporation and political subdivision of the State of West Virginia in Summers 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

_____
($_____), in installments on _____ 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

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

This **Bond** may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed

by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 19_____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) (to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv)] to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is 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 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on _____, 19_____ and a Supplemental Resolution duly adopted by the Issuer on _____ 19_____ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued concurrently with the Sewer Revenue Bonds, Series 1990 B, of the Issuer (the "Series 1990 B Bonds"), issued in the aggregate principal amount of $ _____, which Series 1990 B Bonds are junior and subordinate with respect to lien, pledge and sources of and security for payment to the Bonds.

THIS BOND IS JUNIOR AND SUBORDINATE, WITH RESPECT TO LIEN, PLEDGE AND SOURCES OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S OUTSTANDING SEWAGE REVENUE BONDS, DATED OCTOBER I, 1960, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $720,000 AND DESCRIBED IN THE BOND LEGISLATION (THE "PRIOR BONDS").

THIS BOND IS ON PARITY WITH RESPECT TO LIEN, PLEDGE AND SOURCES OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1990 C, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT **OF $_____ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES** 1990 C BONDS"), EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE BOND LEGISLATION.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation), which pledge is junior and subordinate in all respects to the pledge of Net Revenues securing the Prior Bonds, to be derived from the operation of the System, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1990 A Bonds Reserve Account"), unexpended proceeds of the Bonds and the Series 1990 B Bonds and the other sources provided in the Bond Legislation. 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 hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1990 A Bonds Reserve Account, unexpended proceeds of the Bonds and the Series 1990 B Bonds and the other sources provided in the Bond Legislation. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, the Series 1990 B Bonds, the Series 1990 C Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, the Series 1990 B Bonds or the Series 1990 C Bonds, provided, however, that so long as there exists in the Series 1990 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for the Series 1990 B Bonds, the Series 1990 C Bonds and any other obligations outstanding prior to or on a parity with the Bonds, the Series 1990 B Bonds or the Series 1990 C Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Bond Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the

surrender of this Bond together with a written instrument of transfer satisfactory to the Bond 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, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

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

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

IN WITNESS WHEREOF, THE CITY OF HINTON 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 , 19

(SEAL]

_____

Mayor

ATTEST:

_____

Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1990 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

the within Bond and does hereby irrevocably constitute and appoint Attorney to transfer 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:

_____

[Form of Series 1990 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HINTON
SEWER REVENUE BOND, SERIES 1990 B

No. BR - $_____

(NOW ALL MEN BY THESE PRESENTS: That THE CITY OF HINTON, a municipal corporation and political subdivision of the State of West Virginia in Summers 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_____

_____

($_____), in annual installments on_____, 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"),

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated_____, 19

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewerage facilities of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds");] and (iii) to pay certain costs of issuance hereof and related costs. The existing sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto is 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 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on _____ 19_____, and a Supplemental Resolution duly adopted by the Issuer on _____ 19_____ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIEN, PLEDGE AND SOURCES OF AND SECURITY FOR PAYMENT TO CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE ISSUER AS FOLLOWS:

(i) SEWAGE REVENUE BONDS, DATED OCTOBER 1, 1960, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $720,000 (THE "PRIOR BONDS");

(ii) SEWER REVENUE BONDS, SERIES 1990 A, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1990 A BONDS"); AND

(iii) SEWER REVENUE BONDS, SERIES 1990 C, ISSUED CONCURRENTLY HEREWITH IN THE AGGREGATE PRINCIPAL AMOUNT OF $ AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1990 C BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the **Prior Bonds**, the Series 1990 A Bonds and the Series 1990 C Bonds, all moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1990 B 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1990 B Bonds

Reserve Account and unexpended Bond proceeds. 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, the Series 1990 A Bonds, the Series 1990 C Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1990 A Bonds, the Series 1990 C Bonds or the Bonds, provided, however, that so long as there exists in the Series 1990 B Bonds Reserve Account and the reserve accounts established for the Series 1990 A Bonds and the Series 1990 C Bonds, respectively, amounts at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds, the Series 1990 A Bonds and the Series 1990 C Bonds in the then current or any succeeding year, and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Bond Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements as 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, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the

registered owners of the Series 1990 A Bonds and the Series 1990 C Bonds to the extent provided in the Bond Legislation.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the 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 HINTON 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_____, 19_____

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1990 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

the within Bond and does hereby irrevocably constitute and appoint Attorney to transfer 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:

_____

[Form of Series 1990 C Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HINTON
SEWER REVENUE BOND, SERIES 1990 C

No. CR-

$_____

FOR VALUE RECEIVED, THE CITY OF HINTON (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS ($), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and $ covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of **loan closing,** the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this **Bond shall be applied** first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home

Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and

maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at said office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code, as amended (the "Act"), and an Ordinance of the Borrower authorizing issuance of this Bond and a resolution supplemental thereto duly enacted and adopted (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS JUNIOR AND SUBORDINATE, WITH RESPECT TO LIEN, PLEDGE AND SOURCES OF AND SECURITY FOR PAYMENT, TO THE BORROWER'S OUTSTANDING SEWAGE REVENUE BONDS, DATED OCTOBER 1, 1960, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $720,000 AND DESCRIBED IN THE ORDINANCE.

THIS BOND IS ON PARITY WITH THE BORROWER'S SEWER REVENUE BONDS, SERIES 1990 A, AND SENIOR AND PRIOR TO THE ISSUER'S SEWER REVENUE BONDS, SERIES 1990 B, WITH RESPECT TO LIEN, PLEDGE AND SOURCES OF AND SECURITY FOR PAYMENT, BOTH ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE ORDINANCE, EXCEPT TO THE EXTENT OTHERWISE PROVIDED IN THE ORDINANCE.

IN WITNESS WHEREOF, THE CITY OF HINTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, and has caused this Bond to be dated _____, 19

THE CITY OF HINTON _____
(Name of Borrower)

(CORPORATE SEAL]

_____
(Signature of Executive Official)

Mayor
(Title of Executive Official)

Post Office Box 866
(P. O. Box No. or Street Address)

Hinton, West Virginia 25951
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Recorder
(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(2)			
(3) $			

TOTAL $

[Form of Assignment]

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 Original Bonds to Authority and Purchaser; Ratification of Execution of Loan Agreement with Authority. The Original Bonds constituting the Series 1990 A Bonds and the Series 1990 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

The Original Bonds constituting the Series 1990 C Bonds shall be sold to the Purchaser, pursuant to the terms and conditions of the Letter of Conditions.

Section 3.12. [illegible] of Series 1990 B Bonds. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor. In the event such schedule reflects an excess of funding for the Project, or if the Authority is otherwise advised of an excess, the Authority may tender the Series 1990 B Bonds to the Issuer for payment in an amount equal to such excess to the extent such excess is lawfully available therefor. Notwithstanding the foregoing, if the Issuer has Notes outstanding upon completion of construction of the Project, it will advise the Authority of such fact and submit a second schedule to the Authority upon payment of such Notes, and the Authority will not tender its Series 1990 B Bonds for payment until the outstanding Notes have been paid.

ARTICLE IV

INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts or issuance of the Bonds, the Issuer may issue and sell its Notes in an aggregate principal amount not to exceed $2,100,000. The Notes may be in the form of bond anticipation notes, grant anticipation notes and/or as evidence of a line of credit from a commercial bank or other lender, or any combination of the foregoing, at the discretion of the Issuer, and as shall be set forth in one or more resolutions supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture and/or supplemental resolution, as applicable.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes, if issued, shall be issued in fully registered form, in the denominations, with such terms and secured in the manner set forth in the Indenture, if applicable (which Indenture in the form to be executed and delivered by the Issuer shall be approved by a supplemental resolution), or one or more supplemental resolutions, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Bonds or the Net Revenues (if issued in the form of Bond Anticipation Notes) or the Grant Receipts, the Surplus Revenues and the letter of credit proceeds (if issued in the form of Grant Anticipation Notes) and from other sources described in the Indenture and/or supplemental resolution or resolutions. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture and/or the Supplemental Resolution.

Section 4.04. Letters of Credit. As additional security for any Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree

to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed $2,100,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter or letters of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

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 created (or continued if previously established by the Prior Ordinance) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund (established by the Prior Ordinance and therein called the "Sewer Revenue Fund" and continued hereby, which fund is also known as the City of Hinton Sanitary Board Revenue Account);

(2) Operation and Maintenance Fund (established by the Prior Ordinance and continued hereby);

(3) Depreciation Fund (established by the Prior Ordinance and continued hereby);

(4) Renewal and Replacement Fund;

(5) Bond Construction Trust Fund; and

(6) Reserve Fund (established by the Prior Ordinance and continued hereby).

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by the Prior Ordinance) with the Commission:

(1) Prior Bonds Sinking Fund (established by the Prior Ordinance and therein called the "Sewer Revenue Bond Interest and Sinking Fund");

(2) Series 1990 A Bonds Sinking Fund;

(a) Within the Series 1990 A Bonds Sinking Fund, the Series 1990 A Bonds Reserve Account;

(3) Series 1990 B Bonds Sinking Fund;

(a) Within the Series 1990 B Bonds Sinking Fund, the Series 1990 B Bonds Reserve Account;

(4) Series 1990 C **Bonds** Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The Issuer shall first, each month, transfer from the Revenue Fund to the Operation and Maintenance Fund the amount necessary and sufficient to pay current Operating Expenses of the System.

(2) The Issuer shall next, each month, transfer from the Revenue Fund and pay to the Commission the amounts required by the Prior Ordinance to be deposited in the Prior Bonds Sinking Fund for payment of the principal of and interest on the Prior Bonds and all fiscal agency charges and the maintenance of a margin of safety and reserve for the Prior Bonds, all in accordance with the Prior Ordinance.

(3) The Issuer shall next, (i) each month, on or before the due date of payment of each installment on the Series 1990 C Bonds, transfer from the Revenue Fund and remit to the National Finance Office designated in the Series 1990 C Bonds (or such other place as may be subsequently provided pursuant to the Series 1990 C Bonds), the amount required to pay the interest on the Series 1990 C Bonds, and to amortize the principal of the Series 1990 C Bonds over the life of such Bond issue, (ii) simultaneously with transfer set forth in Subsection 5.03A(3)(i), on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1990 A Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1990 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Series 1990 A Bonds on the next ensuing semiannual interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1990 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date, and (iii) simultaneously

with transfers set forth in Subsections 5.03A(3)(i) and (ii), on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1990 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1990 A Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1990 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date. All the payments with respect to principal of and interest on the Series 1990 A Bonds and the Series 1990 C Bonds shall be made on an equal pro rata basis and on a parity with each other to the fullest extent possible.

(4) The Issuer shall next, (i) on each date that payment is made as set forth in Subsection 5.03A(3)(i) above, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1990 C Bonds Reserve Account, 1/12th of 1/10th of the amount, as of the date of calculation, equal to the maximum amount of principal and interest which will become due on the Series 1990 C Bonds in any year, until the amount in the Series 1990 C Bonds Reserve Account equals such maximum amount (the "Minimum Reserve"), and (ii) simultaneously with the transfer set forth in Subsection 5.03A(4)(i), on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1990 A Bonds, if not fully funded upon issuance of the Series 1990 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1990 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1990 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 1990 A Bonds Reserve Requirement. After the Series 1990 A Bonds Reserve Requirement and the *Minimum* Reserve have been accumulated in the respective Reserve Accounts, the Issuer shall monthly deposit into the respective Reserve Accounts such part of the moneys remaining in the Revenue Fund, after

all required payments into the Prior Bonds Sinking Fund and such provision for payment of monthly installments on or with respect to the Series 1990 A Bonds and the Series 1990 C Bonds and for payment of Operating Expenses of the System, as shall be required to maintain the Series 1990 A Bonds Reserve Requirement and the Minimum Reserve in the respective Reserve Accounts on an equal pro rata basis and on a parity with each other. Moneys in the Series 1990 C Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on or with respect to the Series 1990 A Bonds and the Series 1990 C Bonds, respectively, as the same shall become due, on an equal pro rata basis and on a parity with each other, or for prepayment of installments on the Series 1990 A Bonds and the Series 1990 C Bonds pro rata, or for mandatory prepayment of the Series 1990 A Bonds and the Series 1990 C Bonds as hereinafter provided, on a pro rata basis, and for no other purpose.

(5) The Issuer shall next, each month, so long as any of the Prior Bonds are outstanding, transfer from the Revenue Fund an amount equal to 10% of the gross revenue paid into the Revenue Fund during the preceding monthly period (or such other amount as required under the Prior Ordinance) and shall deposit the same in the Depreciation Fund until the amount in said fund shall aggregate $70,000. Withdrawals and disbursements may be made from the Depreciation Fund only for the following purposes:

(i) For renewals or replacements to the System or for extensions or improvements to the System; and

(ii) To meet the payment of interest on or principal of the Prior Bonds to whatever extent and if for any reason funds in the Prior Bonds Sinking Fund are insufficient for such purpose, and to meet payment of current costs of operation and maintenance of the System to whatever extent and if for any reason funds in the Operation and Maintenance Fund are insufficient therefor; thereafter, and provided payments into the Prior Bonds Sinking *Fund* are current and in accordance with the foregoing and the requirements of the Prior Ordinance, to meet payment of interest on or principal of the Series 1990 A Bonds and the Series 1990 C Bonds, on a parity basis, to whatever extent and if for any reason funds in

the Series 1990 A Bonds Sinking Fund, including the Series 1990 A Bonds Reserve Account therein, and the Series 1990 C Bonds Reserve Account, are insufficient for such purposes; and, thereafter, and provided payments into the Prior Bonds Sinking Fund are current and in accordance with the foregoing and the requirements of the Prior Ordinance and provided payments into the Series 1990 A Bonds Sinking Fund, including the Series 1990 A Bonds Reserve Account therein, and into the Series 1990 C Bonds Reserve Account are current and in accordance with the foregoing, to meet payments of interest on or principal of the Series 1990 B Bonds to whatever extent and if for any reason funds in the Series 1990 B Bonds Sinking Fund, including the Series 1990 B Bonds Reserve Account therein, are insufficient for such purposes.

(6) So long as any of the Prior Bonds are outstanding, whenever all specified and required payments from Revenue Fund into the special funds hereinbefore and in the Prior Ordinance provided have been made and there is a balance in the Revenue Fund in excess of the estimated amounts to be so paid into the Operation and Maintenance Fund and the Prior Bonds Sinking Fund during the succeeding three months, such excess shall be withdrawn and paid into the Reserve Fund. Withdrawals and disbursements shall be made from said Reserve Fund to meet any deficiencies in the various special funds provided under the Prior Ordinance and, thereafter, to meet any deficiencies in the various special funds hereinbefore provided and if there are no such deficiencies then withdrawals and disbursements may be made from the Reserve Fund for the purchase or retirement prior to maturity of bonds issued by the Issuer for account of the System or for any other lawful purpose relating to the System.

(7) In the event the Issuer is not required to fund the Depreciation Fund under Subsection 5.03A(5) hereof at any time, the Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with

Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1990 A Bonds Reserve Account and the Series 1990 C Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereby] shall be promptly eliminated with moneys from the Renewal and Replacement Fund on a pro rata basis, and, thereafter, any deficiencies in the Series 1990 B Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereby] shall next be promptly eliminated with moneys from the Renewal and Replacement Fund.

(8) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1990 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1990 B Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1990 B Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(9) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1990 B Bonds, if not fully funded upon issuance of the Series 1990 B *Bonds*, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1990 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1990 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1990 B Bonds Reserve Requirement.

Moneys in the Series 1990 A Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund shall be used only for purposes of paying principal of and interest, if any, on the Series 1990 A Bonds and the Series 1990 C Bonds on a parity basis and on the Series 1990 B Bonds, respectively, as the same shall become due; provided, however, that, notwithstanding anything herein to the contrary, the holders of the Series 1990 C Bonds shall have no claim to moneys in the Series 1990 A Bonds Sinking Fund, including the Series 1990 A Bonds Reserve Account therein, to the extent such moneys correspond to monthly installments previously paid upon the Series 1990 C Bonds. Moneys in the Series 1990 A Bonds Reserve Account and the Series 1990 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1990 A Bonds and Series 1990 C Bonds on a parity basis and on the Series 1990 B Bonds, respectively, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the several Sinking Funds and Reserve Accounts 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 Bond Construction Trust Fund, except as otherwise required by the regulations of the Purchaser as to earnings on the Series 1990 C Bonds Reserve Account, 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 payments, if any, due on the respective series of Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 1990 A Bonds Reserve Account and the Series 1990 C Bonds Reserve Account which result in a reduction in the balance of the Series 1990 A Bonds Reserve Account and the Series 1990 C Bonds Reserve Account to below the Series 1990 A Bonds Reserve Requirement and the Minimum Reserve, respectively, shall be subsequently restored from the first Net Revenues available after all required payments have been made in full to the Prior Bonds Sinking Fund first and, thereafter, all required payments set forth in Subsection 5.03(A)(3) hereof have been made in full for payment of debt service on the Series 1990 A Bonds and the Series 1990 C Bonds.

Any withdrawals from the Series 1990 B Bonds Reserve Account which result in a reduction in the balance of the Series 1990 B Bonds Reserve Account to below the Series 1990 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Prior Bonds Sinking Fund and after all required payments set forth in Subsection 5.03(A)(3) and to the Series 1990 A Bonds Reserve Account, the Series 1990 C Bonds Reserve Account, the Depreciation Fund, the Renewal and Replacement Fund, the Reserve Fund and the Series 1990 B Bonds Sinking Fund have been made in full.

As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective Sinking Fund and otherwise sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate Reserve Account or Accounts in an amount or amounts equal to the maximum amount or amounts of principal and interest which will become due in any year for account of the Bonds of such series.

The Issuer shall not be required to make any further payments into the Series 1990 A Bonds Sinking Fund, the Series 1990 B Bonds Sinking Fund or into the Reserve Accounts therein, or into the Series 1990 C Bonds Reserve Account, when the aggregate amount of funds in said respective Sinking Funds and Reserve Accounts are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1990 A Bonds Sinking Fund, the Series 1990 B Bonds Sinking Fund and the Series 1990 C Bonds Reserve Account created hereunder, and all amounts required for said Sinking Funds and Reserve Accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Series 1990 A Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all payments to the Commission 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.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1990 A Bonds Sinking Fund and the Series 1990 B Bonds Sinking Fund, including the Reserve Accounts therein, and the Series 1990 C Bonds Reserve Account, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the respective Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions and in the priority hereinafter set forth.

Whenever the moneys in the Reserve Accounts of the Series 1990 A Bonds and the Series 1990 C Bonds shall be sufficient to prepay the Series 1990 A Bonds and the Series 1990 C Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay such Bonds at the earliest practical date and in accordance with applicable provisions hereof.

Subject to the provisions of the Prior Ordinance, the Depository Bank is hereby designated as the Fiscal Agent for the administration of the Operation and Maintenance Fund, the Depreciation Fund and the Renewal and Replacement Fund as herein provided, and all amounts required for the Operation and Maintenance Fund, the Depreciation Fund and the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein and in the Prior Ordinance, together with written advice stating the amount remitted for deposit into each such fund.

The Depository Bank, at the direction of the Issuer, shall keep the moneys in the Operation and Maintenance Fund, the Depreciation Fund and the Renewal and Replacement Fund invested and reinvested in accordance with Section 8.01 hereof.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided and as provided in the Prior Ordinance, are current and there remains in said Revenue Fund a balance in excess of

the estimated amounts required to *be so* transferred and paid into the Prior Bonds Sinking Fund, the Series 1990 A Bonds Sinking Fund (including the Reserve Account therein), the Series 1990 B Bonds Sinking Fund (including the Reserve Account therein), the Series 1990 C Bonds Reserve Account, the Operation and Maintenance Fund, the Depreciation Fund, the Renewal and Replacement Fund and the Reserve Fund 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, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay the Depository Bank's charges and the Paying Agent fees then due.

D. All funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Holders of the Series 1990 A Bonds and the Series 1990 C Bonds shall have a lien thereon, subject and subordinate to any lien in favor of the Prior Bonds, and, thereafter, and subject and subordinate to the liens of the Holders of the Series 1990 A Bonds and the Series 1990 C Bonds and the Prior Bonds, the Holders of the Series 1990 B Bonds shall have a lien thereon. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund, the Operation and Maintenance Fund, the Depreciation Fund, the Reserve Fund and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of State and municipal funds under the laws of the State.

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove and in the Prior Ordinance provided, subject to the requirements of the Prior Ordinance, 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; <u>provided, however,</u> that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

F. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

H. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System, provided that, in the event Notes are issued, Tap Fees may, with the written consent of the Authority and the Purchaser be deposited otherwise.

I. The Issuer shall, prior to delivery of the Series 1990 C Bonds, provide evidence that there will be at least 1442 bona fide users upon the System on *completion of* the Project, in full compliance with the requirements and conditions *of* the Purchaser.

J. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change **to be sent** by registered or certified mail to the Purchaser and the Authority.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application 2f Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the **moneys** received from the sale of any or all of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1990 **A** Bonds, there shall first be deposited with the Commission in the Series 1990 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1990 A Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction or acquisition of the Project.

B. Next, from the proceeds of the Series 1990 A Bonds, there shall be deposited with the Commission in the Series 1990 A Bonds Reserve Account, from the proceeds of the Series 1990 B Bonds, there shall be deposited with the Commission in the Series 1990 B Bonds Reserve Account and from the proceeds of the Series 1990 C Bonds, there shall be deposited with the Commission in the Series 1990 C Bonds Reserve Account, the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts.

C. Next, from the proceeds of the Series 1990 A Bonds and the Series 1990 C Bonds, there shall first be credited to the Bond Construction Trust Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment.

D. The remaining moneys derived from the sale of the Bonds shall be deposited upon receipt with the Depository Bank in the Bond Construction Trust Fund in the manner set forth in the Supplemental Resolution and applied solely to payment of Costs of the Project in the manner set forth in Section 6,02.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholders with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended **are** hereby

pledged as additional security for the Series 1990 A Bonds and the Series 1990 C Bonds, and, thereafter, for the Series 1990 B Bonds; provided, however, that such pledge shall only extend to such moneys as have been actually paid to the Bond Construction Trust Fund by the original purchaser of the respective series of Bonds secured thereby. In the event that Notes are issued, the disposition of funds in the Bonds Construction Trust Fund may be modified from that set forth herein, with the written consent of the Authority and the Purchaser. To the extent required by the Purchaser, in addition to the other requirements herein, proceeds of the Series 1990 C Bonds in the Bond Construction Trust Account in excess of the amount insured by FDIC shall be secured at all times by the Depositary Bank in a manner lawful for securing deposits of State and municipal funds under West Virginia law.

F. There shall additionally be established with the Depository Bank such separate accounts and subaccounts within the Bond Construction Trust Fund as are set forth in the Supplemental Resolution so that the Issuer and the Depository Bank may at all times ascertain the source of all funds in the Bond Construction Trust Fund.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for the costs of issuance of the Original Bonds which shall be made upon request of the Issuer), shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers and as to any proceeds of the Series 1990 C Bonds, a representative of the Purchaser, if the Purchaser so requires, stating:

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

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

(C) That each of such costs has been otherwise properly incurred; and

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer, except as otherwise required by the Purchaser with respect to proceeds of the Series 1990 C Bonds in the Bond Construction Trust Fund.

After completion of the Project, as certified by the Consulting Engineers, and all costs thereof have been paid, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund consisting of Series 1990 A Bond and Series 1990 B Bond proceeds to the Series 1990 A Bonds Reserve Account and when fully funded to the Series 1990 B Bonds Reserve Account, and shall transfer any moneys remaining in the Bond Construction Trust Fund consisting of **Series** 1990 C Bond proceeds to the Series 1990 C Bonds Reserve Account, and when all Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund, except that, if otherwise required, any balance in the Bond Construction Trust Fund consisting of proceeds of the Series 1990 C Bonds shall be disposed of in accordance with any requirements of the regulations of the Purchaser. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on the respective series of Bonds and thereafter to the next ensuing principal payments due thereon. Notwithstanding the foregoing, if the Authority tenders any of its Series 1990 B Bonds to the Issuer pursuant to the provisions of the Supplemental Loan Agreement, such moneys shall be applied to the purchase of such Series 1990 B Bonds.

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 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 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 said Bonds or the interest thereon is Outstanding and unpaid.

Until the payment in full of the principal of and interest on the Notes when due, and to the extent they do not materially adversely affect Bondholders, the covenants, agreements and provisions contained in this Bond Legislation shall, where applicable, also inure to the benefit of the Holders of the Notes and the Trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said Notes as prescribed in the Indenture; provided, that Section 7.09 shall not be applied to the Grant Anticipation Notes.

Section 7.02. Bonds and Notes not to be Indebtedness of the Issuer. Neither the Bonds nor the Notes shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds or Notes, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or Notes or the interest thereon.

Section 7.03. Bonds Secured hy Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 1990 A Bonds and the Series 1990 C Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System on a parity basis, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Prior Bonds. The payment of the debt service of the Series 1990 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Prior Bonds and the Holders of the

Series 1990 A Bonds and the Series 1990 C Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the ordinance of the Issuer enacted August 18, 1993, which rates and charges are hereby approved, ratified and confirmed.

Section 7.05. Sale of the System. Except as otherwise required by law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds and Notes, if any, outstanding, or to effectively defease this Bond Legislation in accordance with Section 10.01 hereof and, if entered into and not previously defeased, the Interlease in accordance with Section 8.01 thereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1990 A Bonds and the Series 1990 B Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and with respect to the Series 1990 C Bonds, immediately be remitted to the National Finance Office designated in the Series 1990 C Bonds, and, with the written permission of the Authority and the Purchaser, or in the event the Authority and the Purchaser are no longer bondholders, the Issuer shall direct the Commission and the National Finance Office to apply said proceeds to the payment of principal at maturity of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System. With respect to the Notes, said proceeds in an amount sufficient to pay the Notes in full shall be applied to the payment of the Notes, either at maturity or, if allowable under the Supplemental Resolution or Interlease, prior thereto.

The foregoing provisions notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during

the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority and the Purchaser, be remitted by the Issuer to the Commission for deposit in the Sinking Funds and to the National Finance Office and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise. Such payment of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. 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 in this Section 7.06 and in Section 7.07B, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture or supplemental resolution prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Bond Legislation; and, so long as any of the Bonds are

Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1990 B Bonds only may be issued as provided for in Section 7.07 hereof. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1990 A Bonds, the Series 1990 B Bonds and the Series 1990 C Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts, the Depreciation Fund and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1990 B Bonds. No Parity Bonds shall be issued which shall be payable out of the revenues of the System on a parity with the **Series** 1990 A Bonds and the **Series** 1990 C Bonds, unless the Series 1990 B Bonds are no longer outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the

System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Prior Bonds and any other obligations with a lien on the Net Revenues prior to that of the Bonds;

(2) The Bonds then Outstanding;

(3) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the 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 Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

All Parity Bonds shall mature on the day of the years of maturities, and the interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1990 A Bonds, the Series 1990 B Bonds and the Series 1990 C 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 1990 A Bonds, the Series 1990 B Bonds or the Series 1990 C Bonds.

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

B. Notwithstanding the foregoing, or any provision of Section 7.06 to the contrary, additional Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7,07, if there is first obtained by the Issuer the written consent of the Authority and the Purchaser to the issuance of bonds on a parity with the Bonds.

Section 7.08. Books and Records. 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 or of a Note or Notes issued pursuant to this Bond Legislation or the Trustee shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Consulting Engineers, the Trustee, the Authority and the Purchaser, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds or Notes, as the case may be, 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 Indenture with respect to said Bonds or Notes, as the case may be, 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 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 Bonds or Notes, as the case may be, and shall submit said report to the

Trustee, the Authority and the Purchaser, or any other original purchaser of the Bonds. Such audit report submitted to the Authority and the Purchaser shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the 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 said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts and reserve accounts for obligations prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

Section 7.10. Operating Budget and Audit. 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 expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and

maintenance of the System, and no such increased expenditures shall be made until the 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 the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Trustee, the Authority, the Purchaser and to any Holder of any Bonds or Notes, as the case may be, 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 Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement gf 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.

Section 7.13. No Free Services. [illegible] to be rendered any free services of any nature by the System [illegible] 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 treated as revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Insurance and Construction Funds. The Issuer hereby covenants and agrees that so long as any of the bonds of the Series remain outstanding, the Issuer will, as an operating expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily carried 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, explosion, riot, riot attending a strike, civil commotion and aircraft damage, 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 General and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or, with the consent of the Authority and the Purchaser, for the other purposes provided herein for said General 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 Purchaser, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the loan Agreement, during construction of

the Project on a full basis (completed value basis) as the insurable parties 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, 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 member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $50,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Bond Construction Trust Fund is concerned so long as checks thereon require the signature of a representative of the Purchaser.

B. The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance

in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

C. In addition to the foregoing requirements, the Issuer will carry insurance on bonds, or cause insurance on bonds to be carried for the protection of the Issuer, of such types and in such amounts as required by the Purchaser, if such requirements are greater than the types and amounts set forth above.

Section 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State 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 7.16. Completion of Project. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition.

Section 7.17. 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 Original 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 Original Bonds during the term thereof is, under the terms of the Original 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 Original 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 Original Bonds during the term thereof is, under the terms of the Original 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 Original 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 Original Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

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

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

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Original 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 and the Purchaser) so that the interest on the Original 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 determined by the Authority and the Purchaser) which would adversely affect such exclusion.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. [illegible] a part of the funds and accounts created by this Bond Legislation or the Indenture, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Trustee, if any, 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, and the Indenture, if any, the need for such moneys for the purposes set forth herein and in the Indenture, if any, and the specific restrictions and provisions set forth in this Section 8.01 and in the Indenture.

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

The Trustee, if any, and the Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause any of the Original Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Original Bonds) so that the interest on the Original Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148(f)(4)(C) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Original Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Original Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Original Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code and the Regulations from time to time in effect and applicable to the Original Bonds. For purposes of this Section B.03 and for purposes of applying Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(C) of the Code to each other entity to which such entity is subordinate, be treated as issued by suci other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Original Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Original Bonds. In the event of a failure to pay any such amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States

an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority and the Purchaser, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority and/or the Purchaser. In addition, the Issuer shall cooperate with the Authority and/or the Purchaser in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority and/or the Purchaser at the expense of the Issuer.

The Issuer shall submit to the Authority and the Purchaser within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Original Bonds subject to rebate.

ARTICLE IX

DEFAULT AND REMEDIES

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

(1) If default occurs in the due and punctual payment of the principal of or interest on any Notes; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any supplemental resolution, the Indenture or in the Notes, 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 Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; 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.

B. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

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

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note or Bond, as the case may be, 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 Notes or Bonds, as the case may be, (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 Notes or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Notes or Bonds, or the rights of such Registered Owners, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders, and provided further, that all rights and remedies of the Holders of the Series 1990 B Bonds shall be subject to those of the Holders of the Prior Bonds, the Series 1990 A Bonds and the Series 1990 C Bonds and all rights and remedies of the Holders of the Original Bonds shall be subject to those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond or Bond Anticipation Note may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, 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 or Bond Anticipation Notes any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every

part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the 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

DEFEASANCE

Section 10.01. Defeasance of Series 1990 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1990 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1990 A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations, of the Issuer to the Registered Owners of the Series 1990 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1990 A Bonds from gross income for federal income tax purposes.

Series 1990 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1990 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1990 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1990 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1990 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior

to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.02. Defeasance of Series 1990 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all **Series** 1990 B Bonds, the principal due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1990 B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1990 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1990 B Bonds from gross income for federal income tax purposes.

Series 1990 B Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date the principal installments of such Series 1990 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1990 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of said Series 1990 B Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of said Series 1990 B Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such

reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.03. Defeasance of Series 1990 C Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all **Series** 1990 C Bonds, the principal of and interest due or to become due thereon, at the times and in *the* manner stipulated therein and in this Bond Legislation, then with respect to the Series 1990 C Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation *and all* covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1990 C Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1990 C Bonds from gross income for federal income tax purposes.

Section 10.04. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of any series of Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to such Notes only, this Bond Legislation, the Indenture, if any, and the pledges of Grant Receipts and other moneys and securities pledged thereby, *and* all covenants, agreements and other obligations of the Issuer to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification 2f Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Notes, the Series 1990 A Bonds, the Series 1990 B Bonds or the Series 1990 C Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds or Notes respectively, 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 or Noteholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Bonds and the Notes from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the **Bond Legislation** shall constitute a contract between the Issuer and the Registered Owners of the Bonds and Notes, 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, the Indenture, if any, the Bonds or the Notes, if any.

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, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47) or the Prior Ordinance; provided further that, in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as any of the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment 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, Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation 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 Hinton News, a qualified newspaper published and of general circulation in The City of Hinton, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bonds and Notes, 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 Bond Legislation and notice, and present protests, and that a certified copy of the 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 15, 1990

Passed on Second Reading - May 22, 1990

Passed on Final Reading Following Public Hearing June 12, 1990

James A. Leslie, Jr.
Mayor

Cynthia S. Cooper
Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF HINTON on the 12th day of June, 1990.

Dated: June 14, 1990

[SEAL]

Cynthia S. Cooper
Recorder

06/11/90
HINTONJ.A6
41455/89001

THE CITY OF HINTON

Sewer Revenue Bonds,
Series 1990 A, Series 1990 B and Series 1990 C

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1990 A, SERIES 1990 B AND SERIES 1990 C OF THE CITY OF HINTON; AUTHORIZING AND APPROVING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO THE SERIES 1990 A BONDS AND SERIES 1990 B BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF THE SERIES 1990 C BONDS TO FARMERS HOME ADMINISTRATION; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS

WHEREAS, the city council (the "Governing Body") of The City of Hinton (the "Issuer"), has duly and officially enacted a bond and notes ordinance, effective June 12, 1990 (the "Bond and Notes Ordinance" or "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF HINTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $800,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 A, NOT MORE THAN $200,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 B, NOT MORE THAN $800,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1990 C, JUNIOR AND SUBORDINATE TO THE OUTSTANDING 1960 BONDS OF THE CITY, AND NOT MORE THAN $2,100,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE

REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND **DELIVERY** OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND AUTHORIZING OR RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount not to exceed $1,800,000, to be issued in three series, the Series 1990 A Bonds to be in an aggregate principal amount of not more than $800,000 (the "Series 1990 A Bonds"), the Series 1990 B Bonds to be in an aggregate principal amount of not more than $200,000 (the "Series 1990 B Bonds") and the Series 1990 C Bonds to be in an aggregate principal amount of not more than $800,000 (the "Series 1990 C Bonds"), and has preliminarily authorized the execution and delivery of a loan agreement relating to the Series 1990 A Bonds. to be dated June 14, 1990, and a supplemental loan agreement relating to the Series 1990 B Bonds, also to be dated June 14, 1990 (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 16, Article 13 of the West Virginia Code, 1931, as amended (the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Series 1990 A Bonds and the Series 1990 B Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement, and the Series 1990 C Bonds are proposed to be purchased by the United States Department of Agriculture, Farmers Home Administration (the "Purchaser") pursuant to a Letter of Conditions, as amended; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be

adopted and that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amounts, the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates 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 HINTON:

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:

(A) The Sewer Revenue Bonds, Series 1990 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $637,262. The Series 1990 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2029, shall bear interest at the rate of 7.85% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable October 1, 1990, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1990 A Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Loan Agreement and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1990 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $29,738. The Series 1990 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2029, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1990 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Supplemental Loan Agreement and incorporated therein by reference.

(C) The Sewer Revenue Bonds, Series 1990 C, of the Issuer, originally represented by a single Bond, numbered CR-1 in the principal amount of $668,000. The Series 1990 C Bonds shall be dated the date of delivery thereof, shall mature June 14, 2030, shall bear interest at the rate of 5% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 1990 C Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of $3,280 on the corresponding day of each month, except that the final installment shall be paid at the end of forty years from the date of the Series 1990 C Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 1990 C Bonds, all such payments to be made at the National Finance Office of Farmers Home Administration, United States Department of Agriculture, St. Louis, Missouri, 63103, or at such other place as the Purchaser may designate after issuance of the Series 1990 C Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

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

Section 3. The Issuer does hereby authorize, approve and accept the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, directed and approved. The Issuer does hereby authorize, approve and accept the Letter of Conditions, and all amendments thereto, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, directed and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Series 1990 A Bonds and Series 1990 B Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and One Valley Bank, National Association, in substantially the form attached hereto, and the execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 1990 A Bonds and Series 1990 B Bonds.

Section 6. The Issuer does hereby appoint The First National Bank of Hinton, Hinton, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1990 A Bonds proceeds in the amount of $83,375 shall be deposited in the Series 1990 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1990 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 1990 A Bonds Reserve Account, Series 1990 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 1990 B Bonds Reserve Account and Series 1990 C Bonds proceeds in the amount of $-0- shall be deposited in the Series 1990 C Bonds Reserve Account.

Section 9. The balance of the proceeds of the Bonds shall be deposited in or credited to the Bond Construction Trust Fund for payment of Costs of the Project, including, without limitation, costs of issuance of the Bonds and repayment of borrowings previously incurred for the Project, if any.

Section 10. The Issuer hereby authorizes the establishment of, and there are hereby created with the Depository Bank, the following special accounts within the Bond Construction Trust Fund established under Section 5.01 of the Bond Ordinance:

(1) Account One

(2) Account Two

All proceeds received from the sale of the Series 1990 A Bonds and the Series 1990 B Bonds to the Authority shall be deposited in Account One. All proceeds received from the sale of the Series 1990 C Bonds to the Purchaser shall be deposited in Account Two. Proceeds deposited into Account One shall be kept separate and apart from proceeds deposited into Account Two, and vice versa.

Section 11. The Issuer hereby determines to pay, or reimburse itself for the cost of payment, on the date of delivery of the Bonds and receipt of proceeds thereof, all borrowings of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the Costs of the Project, if any, including, but not

limited to, all borrowings from West Virginia Water Development Authority.

Section 12. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 1990 A Bonds and the Series 1990 B Bonds may be delivered on or about June 14, 1990, to the Authority pursuant to the Loan Agreement and to the end that the Series 1990 C Bonds may be delivered on or about June 14, 1990, to the Purchaser pursuant to the Letter of Conditions and all amendments thereto as soon as the Purchaser will accept such delivery.

Section 13. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond and Notes Ordinance held by the Depository Bank, subject to any limitations of the Purchaser with respect of the proceeds from the sale of the Series 1990 C Bonds, in time accounts with maturities not exceeding 30 days and secured by a pledge of Government Obligations with the Depository Bank, and therefore the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such time accounts until further directed in writing by the Issuer. Moneys in the Sinking Funds for the Series 1990 A Bonds and Series 1990 B Bonds shall be invested by the Municipal Bond Commission in the West Virginia restricted consolidated fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated or to be promulgated thereunder.

Section 16. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private

activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1990, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(C) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(C) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 12th day of June, 1990.

THE CITY OF HINTON

Mayor

06/11/90
HINTOND.D3
41455/89001

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Council of THE CITY OF HINTON on the 12th day of June, 1990.

Dated: June 14, 1990

[SEAL]

Cynthia S. Cooper
Recorder

THE CITY OF HINTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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THE CITY OF HINTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HINTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $775,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2003 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 HINTON:

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 Hinton (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Summers 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 construction of a sewage collection system on Route 20 across from the New River from Hinton and also in the Village of Brooklin, lying in both Summers and Raleigh Counties, 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 intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), which the Authority administers pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), in the total aggregate principal amount of not more than $775,000 (the "Series 2003 A Bonds"), initially to be represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; amounts which may be deposited in the Series 2003 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 hereafter 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 2003 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 2003 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2003 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.

G. There are outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 2003 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewer Revenue Bond, Series 1990 A, dated June 14, 1990, issued in the original aggregate principal amount of $637,262 (the "Series 1990 A Bonds"), Sewer Revenue Bond, Series 1990 B, dated June 14, 1990, issued in the original aggregate principal amount of $29,738 (the "Series 1990 B Bonds"), Sewer Revenue Bond, Series 1990 C, dated June 14, 1990, issued in the original aggregate principal amount of $668,000 (the "Series 1990 C Bonds" and collectively the "Prior Bonds").

The Series 2003 A Bonds shall be issued on a parity with the Series 1990 A Bonds and the Series 1990 C Bonds and senior and prior to the Series 1990 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2003 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Series 1990 A Bonds and the Series 1990 C Bonds are met; (ii) the written consent of the Holders of the Series 1990 A Bonds and the Series 1990 C Bonds to the issuance of the Series 2003 A Bonds on a parity with the Series 1990 A Bonds and the Series 1990 C Bonds; and (iii) the written consent of the Holders of the Series 1990 B Bonds to the issuance of the Series 2003 A Bonds on a senior and prior basis to the Series 1990 B Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and Prior Ordinances.

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

I. 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 2003 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 2003 A Bonds or such final order will not be subject to appeal.

J. 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 2003 A Bonds for the purposes set forth herein.

K. 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 2003 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 2003 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 2003 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 2003 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, collectively, the Series 2003 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Series 2003 A Bonds for all or a portion of the proceeds of the Series 2003 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 Stafford Consultants Incorporated, Princeton, 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.

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, hoard 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 I65(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 Hinton, a municipal corporation and political subdivision of the State of West Virginia, in Summers 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 2003 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2003 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 2003 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 or Prior Bonds and as of any particular date, describes all Bonds and Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bonds cancelled by the Bond Registrar or the registrar for Prior Bonds at or prior to said date; (ii) any Bond or Prior Bonds for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bond deemed to have been paid in accordance with the resolution authorizing the issuance thereof; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity or authority designated as such for the Series 2003 A Bonds in the Supplemental Resolution, with the written consent of the Authority and the DEP.

"Prior Bonds" means, collectively, the Issuer's (i) Sewer Revenue Bond, Series 1990 A, dated June 14, 1990, issued in the original aggregate principal amount of $637,262, (ii) Sewer Revenue Bond, Series 1990 B, dated June 14, 1990, issued in the original aggregate principal amount of $29,738, and (iii) Sewer Revenue Bond, Series 1990 C, dated June 14, 1990, issued in the original aggregate principal amount of $668,000.

"Prior Ordinances" means, collectively, the ordinances of the Issuer, including all amendments and supplements thereto, authorizing the issuance of the Prior Bonds.

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

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

"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;

(t) 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 the Prior Ordinances and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve account established for the Series 2003 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2003 A Bonds.

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

"Series 1990 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1990 A, described in Section 1.02G hereof.

"Series 1990 13 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1990 B, described in Section 1.02G hereof.

"Series 1990 C Bonds" means the Issuer's Sewer Revenue Bonds, Series 1990 C, described in Section 1.02G hereof.

"Series 2003 A Bonds" means Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2003 A Bonds Construction Trust Fund" means the Series 2003 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2003 A Bonds Reserve Account" means the Series 2003 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2003 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 2003 A Bonds in the then current or any succeeding year.

"Series 2003 A Bonds Sinking Fund" means the Series 2003 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking fund established for the Prior Bonds and the Series 2003 A Bonds.

"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 2003 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2003 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

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 $1,775,000, 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 2003 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.

The cost of the Project is estimated not to exceed $1,775,000, of which approximately $775,000 will be obtained from proceeds of the Series 2003 A Bonds, and approximately $1,000,000 will be obtained from the proceeds of a West Virginia Department of Environmental Protection 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 capitalizing interest on the Series 2003 A Bonds, funding a reserve account for the Series 2003 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 2003 A Bonds of the Issuer. The Series 2003 A Bonds shall be issued as a single bond, designated "Sewer Revenue Bond, Series 2003 A (West Virginia SRF Program)", in the principal amount of not more than $775,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2003 A Bonds remaining after funding of the Series 2003 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2003 A Bonds, if any, shall be deposited in or credited to the Series 2003 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 2003 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 2003 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 2003 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 2003 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 2003 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2003 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 2003 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 2003 A Bonds shall cease to be such officer of the Issuer before the Series 2003 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 2003 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 2003 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 2003 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 2003 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 2003 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 2003 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 2003 A Bonds.

The registered Series 2003 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 2003 A Bonds or transferring the registered Series 2003 A Bonds are exercised, all Series 2003 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2003 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 2003 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 2003 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2003 A Bonds or, in the case of any proposed redemption of Series 2003 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 2003 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 2003 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 2003 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2003 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 2003 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Series 1990 A Bonds and the Series 1990 C Bonds, and senior and prior to the lien on the Net Revenues in favor of the Holders of the Series 1990 B Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2003 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2003 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2003 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 2003 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 2003 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 2003 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2003 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 HINTON
SEWER REVENUE BOND,
SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

No. AR- $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HINTON, a municipal corporation and political subdivision of the State of West Virginia in Summers 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 I, 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 _____, 2003.

This Bond is issued (i) 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"); (ii) to fully fund the Series 2003 A Bonds

Reserve Account; 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 _____, 2003, and a Supplemental Resolution duly adopted by the Issuer on _____, 2003 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BOND, SERIES 1990 A, DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $637,262 (THE "SERIES 1990 A BONDS") AND THE ISSUER'S SEWER REVENUE BOND, SERIES 1990 C, DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $668,000 (THE "SERIES 1990 C BONDS"), AND SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S SEWER REVENUE BOND, SERIES 1990 B (THE "SERIES 1990 B BONDS"), DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $29,738 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1990 A Bonds and the Series 1990 C Bonds, and senior and prior to the pledge of Net Revenues in favor of the Holders of the Series 1990 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003 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 2003 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for

principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2003 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (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 HINTON 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 _____, 2003.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003 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: , 2003.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
L11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	S		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(1 S)	$		(36)	$	

TOTAL $

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____

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

Dated: _____

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Series 2003 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. "Amended Schedule" Filing. 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 (or continued if previously established by the Prior Ordinances) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

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

(2) Operation and Maintenance Fund (established by the Prior Ordinances);

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

(4) Series 2003 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 (or continued if previously established by the Prior Ordinances) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1990 A Bonds Sinking Fund (established by the Prior Ordinances);

(2) Within the Series 1990 A Bonds Sinking Fund, the Series 1990 A Bonds Reserve Account (established by *the* Prior Ordinances);

(3) Series 1990 B Bonds Sinking Fund (established by the Prior Ordinances);

(4) Within the Series 1990 B Bonds Sinking Fund , the Series 1990 B Bonds Reserve Account (established by the Prior Ordinances);

(5) Series 1990 C Bonds Reserve Account (established by the Prior Ordinances);

(6) Series 2003 A Bonds Sinking Fund; and

(7) Within the Series 2003 A Bonds Sinking Fund, the Series 2003 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 the Prior Ordinances and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Prior Ordinances. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner order of priority:

(1) The Issuer shall first, each month, transfer from the monies in the Revenue Fund to the Operation and Maintenance Fund the amount necessary and sufficient to pay current Operating Expenses of the System,

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission for deposit in the Series 1990 A Bonds Sinking Fund, the amount required by the Prior Ordinances to pay interest on the Series 1990 A Bonds; and (ii) to the National Finance Office, the amount required by the Prior Ordinances to pay interest on the Series 1990 C Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission, for deposit in the Series 1990 A Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal of the Series 1990 A Bonds; (ii) to the National Finance Office, the amount required by the Prior Ordinances to pay the principal of the Series 1990 C Bonds; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2003 A Bonds, for deposit in the Series 2003 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2003 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 2003 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 clue on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1990 A Bonds Reserve Account and Series 1990 C Bonds Reserve Account, the amount required by the Prior Ordinances; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2003 A Bonds, if not fully funded upon issuance of the Series 2003 A Bonds, for deposit in the Series 2003 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2003 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2003 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 2003 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 112% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal of the Series 1990 B Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1990 B Bonds Reserve Account, the amount required by the Prior Ordinances.

Monies in the Series 2003 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2003 A Bonds as the same shall become due. Monies in the Series 2003 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2003 A Bonds as the same shall come due, when other monies in the Series 2003 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2003 A Bonds Sinking Fund and the Series 2003 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 2003 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 2003 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2003 A Bonds Reserve Account which result in a reduction in the balance of the Series 2003 A Bonds Reserve Account to below the Series 2003 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 2003 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 2003 A Bonds Sinking Fund or into the Series 2003 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2003 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 on a parity and pro rata, with respect to the Series 1990 A Bonds, the Series 1990 C Bonds, and the Series 2003 A Bonds, and thereafter, with respect to the Series 1990 B Bonds, all in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2003 A Bonds Sinking Fund and the Series 2003 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 2003 A Bonds Sinking Fund and the Series 2003 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 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2003 A Bonds Sinking Fund, including the Series 2003 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2003 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 2003 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 relevant provisions of the Prior Ordinances, 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 2003 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 2003 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2003 A Bonds, there shall first be deposited with the Commission in the Series 2003 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2003 A Bonds, there shall be deposited with the Commission in the Series 2003 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2003 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2003 A Bonds, such monies shall be deposited with the Depository Bank in the 2003 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 2003 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2003 A Bonds shall be expended as directed by the DEP.

Section 6.02. Disbursements From the Series 2003 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 2003 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 2003 A Bonds Construction Trust Fund shall be made only after submission to, and approved from, the Authority and the DEP of the following:

(I) 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 2003 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 2003 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 2003 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 2003 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 2003 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 2003 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2003 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2003 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Series 1990 A Bonds and the Series 1990 C Bonds and senior and prior to the lien on the Net Revenues in favor of the Holders of the Series 1990 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2003 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 November 17, 1998, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2003 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 2003 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 Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Series 2003 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 2003 A Bonds, immediately be remitted to the Commission for deposit in the Series 2003 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 2003 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 the Consulting Engineers

that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding 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 Sinking Funds for prepayment of the Bonds. The payment of such proceeds into the Renewal and Replacement Fund and the Sinking Funds 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 2003 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2003 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 2003 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 2003 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2003 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. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2003 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 (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2003 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 2003 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 mariner 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 2003 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 2003 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2003 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 Haider or Holders of the Series 2003 A Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2003 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 2003 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 2003 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to

the Series 2003 A Bonds, including the Prior Bonds; provided that, in the event the amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2003 A Bonds Reserve Account and any Reserve Accounts for obligations on a parity with or junior to the Series 2003 A Bonds, including the Prior 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 2003 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2003 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 2003 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 Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall 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 2003 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 2003 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 2003 A Bonds during the term thereof is, under the terms of the Series 2003 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 2003 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 2003 A Bonds during the term thereof is, under the terms of the Series 2003 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 2003 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 2003 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 2003 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 2003 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 2003 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 2003 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 2003 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 2003 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 2003 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 2003 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 2003 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 2003 A Bonds as a condition to issuance of the Series 2003 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 2003 A Bonds as may be necessary in order to maintain the status of the Series 2003 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 2003 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 2003 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 2003 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 2003 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2003 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 2003 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2003 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2003 A Bonds shall be on a parity with the Holders of the Series 1990 A Bonds and the Series 1990 C Bonds and senior and prior to the Holders of the Series 1990 B Bonds.

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

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might 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 2003 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 2003 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 2003 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 2003 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2003 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 2003 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2003 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 2003 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 2003 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 2003 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 2003 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. Except for the Prior Ordinances, all ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided

that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

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

Section 11.07. Effective Date. This Ordinance shall take effect immediately following 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 Hinton News,* a newspaper published and of general circulation in The City of Hinton, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2003 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:	-	July 22, 2003
Passed on Second Reading:	-	August 19, 2003
Passed on Final Reading Following Public Hearing:		September 16, 2003

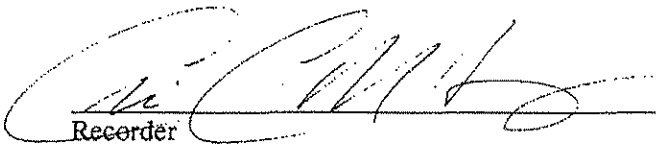
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of The City of Hinton on the 16th day of September, 2003.

Dated: **March** 30, 2004.

[SEAL]



Recorder

03/11/04
414550.00001

EXHIBIT A

Bond Purchase Agreement included in bond transcript as Document 3.

THE CITY OF HINTON

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 HINTON; CHANGING THE SERIES DESIGNATION; 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 Hinton (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective September 16, 2003 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HINTON AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $775,000 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 2003 A (West Virginia SRF Program), of the Issuer, in an aggregate principal amount not to exceed $775,000;

WHEREAS, the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), were not issued in 2003 but will be issued in 2004;

WHEREAS, the Governing Body desires to redesignate the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), as Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program) (the "Bonds" or "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 Bonds be redesignated, 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 HINTON:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted, the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), are hereby redesignated as Sewer Revenue Bonds, Series 2004 A (West Virginia SRF Program), 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-I, in the principal amount of $490,000. The Series 2004 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2044, 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, 2005, and maturing March 1, 2044, 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 First Century Bank, Bluefield, West Virginia, to serve as Depository Bank under the Bond Ordinance.

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

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

Section 9. The 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 10. 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 March 30, 2004, to the Authority pursuant to the Bond Purchase Agreement.

Section 11. 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 12. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 13. 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 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 16th day of March, 2004.

By: _____
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Hinton on the 16th day of March, 2004.

Dated: March 30, 2004.

[SEAL]

Recorder

03/11/04
414550.00001

SPECIMEN

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

No. AR-1 $490,000

KNOW ALL MEN BY THESE PRESENTS: That on this 30th day of March, 2004, THE CITY OF HINTON, a municipal corporation and political subdivision of the State of West Virginia in Summers County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of FOUR HUNDRED NINETY THOUSAND DOLLARS ($490,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December I of each year, commencing June 1, 2005, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. 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, 2005, 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 March 1, 2004.

This Bond is issued (i) 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 (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system

SPECIMEN

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 September 16, 2003, and a Supplemental Resolution duly adopted by the Issuer on March 16, 2004 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BOND, SERIES 1990 A, DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $637,262 (THE "SERIES 1990 A BONDS") AND THE ISSUER'S SEWER REVENUE BOND, SERIES 1990 C, DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $668,000 (THE "SERIES 1990 C BONDS"), AND SENIOR AND PRIOR WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S SEWER REVENUE BOND, SERIES 1990 B , DATED JUNE 14, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $29,738 (THE "SERIES 1990 B BONDS" AND COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1990 A Bonds and the Series 1990 C Bonds, and senior and prior to the pledge of Net Revenues in favor of the Holders of the Series 1990 B Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2004 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such 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

SPECIMEN

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds of this Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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.

SPECIMEN

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 HINTON 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 the day and year first written above.

[SEAL]

/64

Mayor

ATTEST:

Recorder

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: March 30, 2004.

THE HUNTINGTO[illegible] fNAL BANK,
as Registrar

By:
Its: Auth7 'zed Offic[illegible]

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 24,500	March 30, 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

DEBT SERVICE SCHEDULE

City of Hinton

Loan of $490,000

0% Interest Rate, 0.5% Administrative Fee, 40 Years from Closing Date

Closing Date: March 30, 2004

DEBT SERVICE SCHEDULE

6/01/2004	-	-	-
9/01/2004	-	-	-
12/01/2004	-	-	-
3l0112005	-	-	-
6/01/2005	3,141.03	-	3,141.03
9/01/2005	3,141.03	-	3,141.03
12101/2005	3,141.03	-	3,141.03
3/01/2006	3,141.03	-	3,141.03
6/01/2006	3,141.03	-	3,141.03
9/01/2006	3,14t03	-	3,141.03
12/01/2006	3,141.03	-	3,141.03
3/01/2007	3,141.03	-	3,141.03
6/01/2007	3,141.03	-	3,141.03
9/01/2007	3,141.03	-	3,141.03
12/01/2007	3,141.03	-	3,141.03
3/01/2008	3,141.03	-	3,141.03
6/01/2008	3,141.03	-	3,141.03
9/0112008	3,141.03	-	3,141.03
12/01/2008	3,141.03	-	3,141.03
3/01/2009	3,141.03	-	3,141.03
6/01/2009	3,141.03		3,141.03
9/01/2009	3,141.03	-	3,141.03
12/01/2009	3,141.03	-	3,141.03
3/01/2010	3,141.03	-	3,141.03
6/01/2010	3,141.03	-	3,141.03
9/01/2010	3,141.03	-	3,141.03
12/01/2010	3,141.03	-	3,141.03
3101/2011	3,141.03	-	3,141.03
6/01/2011	3,141.03	-	3,141.03
9/0112011	3,141.03	-	3,141.03
12/01/2011	3,141.03	-	3,141.03
3/01/2012	3,141.03	-	3,141.03
6/01/2012	3,141.03	-	3,141.03
9/01/2012	3,141.03	-	3,141.03
12/01/2012	3,141.03	-	3,141.03
3/01/2013	3,141.03	-	3,141.03
6/01/2013	3,141.03	-	3,141.03
9/01/2013	3,141.03	-	3,141.03
12/01/2013	3,141.03	-	3,141.03
3/01/2014	3,141.03	-	3,141.03
6/01/2014	3,141.03	-	3,141.03
9/01/2014	3,141.03	-	3,141.03
12/0112014	3,141.03	-	3,141.03
3/01/2015	3,141.03	-	3,141.03
6/01/2015	3,141.03	-	3,141.03
9/01/2015	3,141.03	-	3,141.03
12/01/2015	3,141.03	-	3,141.03

City of Hinton

Loan of $490,000
0% Interest Rate, 0.5% Administrative Fee, 40 Years from Closing Date
Closing Date: March 30, 2004

DEBT SERVICE SCHEDULE

3101/2016	3,141.03	-	3,141.03
6/01/2016	3,141.03	-	3,141.03
9/01/2016	3,141.03	-	3,141.03
12/01/2016	3,141.03	-	3,141.03
3/01/2017	3,141.03	-	3,141.03
6/01/2017	3,141.03	-	3,141.03
9/01/2017	3,141.03	-	3,141.03
12/01/2017	3,141.03	-	3,141.03
3/01/2018	3,141.03	-	3,141.03
6/01/2018	3,141.03	-	3,141.03
9101/2018	3,141.03	-	3,141.03
12/01/2018	3,141.03	-	3,141.03
3/01/2019	3,141.03	-	3,141.03
6/01/2019	3,141.03	-	3,141.03
9/01/2019	3,141.03	-	3,141.03
12/01/2019	3,141.03	-	3,141.03
3/01/2020	3,141.03	-	3,141.03
6/01/2020	3,141.03	-	3,141.03
9/01/2020	3,141.03	-	3,141.03
12/01/2020	3,141.03	-	3,141.03
3/01/2021	3,141.03	-	3,141.03
6/01/2021	3,141.03	-	3,141.03
9/01/2021	3,141.03	-	3,141.03
12/01/2021	3,141.03	-	3,141.03
3/01/2022	3,141.03	-	3,141.03
6/01/2022	3,141.03	-	3,141.03
9/01/2022	3,141.03	-	3,141.03
12/01/2022	3,141.03	-	3,141.03
3/01/2023	3,141.03	-	3,141.03
6101 /2023	3,141.03	-	3,141.03
9101 /2023	3,141.03	-	3,141.03
12/011 2023	3,141.03	-	3,141.03
3101/2024	3,141.03	-	3,141.03
6/01/2024	3,141.03	-	3,141.03
9/01/2024	3,141.03	-	3,141.03
12/01/2024	3,141.03	-	3,141.03
3/01/2025	3,141.03	-	3,141.03
6/01/2025	3,141.03	-	3,141.03
9/01/2025	3,141.03	-	3,141.03
12/01/2025	3,141.03	-	3,141.03
3/01/2026	3,141.03	-	3,141.03
6/01/2026	3,141.03	-	3,141.03
9/01/2026	3,141.03	-	3,141.03
12/01/2026	3,141.03	-	3,141.03
3/01/2027	3,141.03	-	3,141.03
6/01/2027	3,141.02	-	3,141.02
9/01/2027	3,141.02	-	3,141.02

City of Hinton

Loan of $490,000
0% Interest Rate, 0.5% Administrative Fee, 40 Years from Closing Date
Closing Date: March 30, 2004

DEBT SERVICE SCHEDULE

12/01/2027	3,141.02	-	3,141.02
3/01/2028	3,141.02	-	3,141.02
6101 /2028	3,141.02	-	3,141.02
9/01/2028	3,141.02	-	3,141.02
12/01/2028	3,141.02	-	3,141.02
3/01/2029	3,141.02	-	3,141.02
6/01/2029	3,141.02	-	3,141.02
9/01/2029	3,141.02	-	3,141.02
12/01/2029	3,141.02	-	3,141.02
3/01/2030	3,141.02	-	3,141.02
6/01/2030	3,141.02	-	3,141.02
9101 /2030	3,141.02	-	3,141.02
12/01/2030	3,141.02	-	3,141.02
3/01/2031	3,141.02	-	3,141.02
6/01/2031	3,141.02	-	3,141.02
9/01/2031	3,141.02	-	3,141.02
12/01/2031	3,141.02	-	3,141.02
3/01/2032	3,141.02	-	3,141.02
6/01/2032	3,141.02	-	3,141.02
9/01/2032	3,141.02	-	3,141.02
12/01/2032	3,141.02	-	3,141.02
3/01/2033	3,141.02	-	3,141.02
6/01/2033	3,141.02	-	3,141.02
9/01/2033	3,141.02	-	3,141.02
12/01/2033	3,141.02	-	3,141.02
3/01/2034	3,141.02	-	3,141.02
6/01/2034	3,141.02	-	3,141.02
9/01/2034	3,141.02	-	3,141.02
12/01/2034	3,141.02	-	3,141.02
3101 /2035	3,141.02	-	3,141.02
6101/2035	3,141.02	-	3,141.02
9/01/2035	3,141.02	-	3,141.02
12/01/2035	3,141.02	-	3,141.02
3/01/2036	3,141.02	-	3,141.02
6/01/2036	3,141.02	-	3,141.02
9/01/2036	3,141.02	-	3,141.02
12/01/2036	3,141.02	-	3,141.02
3/01/2037	3,141.02	-	3,141.02
6/01/2037	3,141.02	-	3,141.02
9/01/2037	3,141.02	-	3,141.02
12/01/2037	3,141.02	-	3,141.02
3/01/2038	3,141.02	-	3,141.02
6/01/2038	3,141.02	-	3,141.02
9/01/2038	3,141.02	-	3,141.02
12/01/2038	3,141, 02	-	3,141.02
3/01/2039	3,141.02	-	3,141.02
6/01/2039	3,141.02	-	3,141.02

City of Hinton

Loan of $490,000
0% Interest Rate, 0.5% Administrative Fee, 40 Years from Closing Date
Closing Date: March 30, 2004

DEBT SERVICE SCHEDULE

9101 /2039	3,141.02	-	3,141.02
12/01/2039	3,141.02	-	3,141.02
3/01/2040	3,141.02	-	3,141.02
6/01/2040	3,141.02	-	3,141.02
9/01/2040	**3,141.02**	-	3,141.02
12/01/2040	**3,141.02**	-	3,141.02
3/01/2041	3,141.02	-	3,141.02
6/01/2041	3,141.02	-	3,141.02
9/01/2041	3,141.02	-	3,141.02
12/01/2041	3,141.02	-	3,141.02
3/01/2042	3,141.02	-	3,141.02
6/01/2042	3,141.02	-	3,141.02
9/01/2042	3,141.02	-	3,141.02
12/01/2042	3,141.02	-	3,141.02
3/01/2043	3,141.02	-	3,141.02
6/01/2043	3,141.02	-	3,141.02
9/01/2043	3,141.02	-	3,141.02
12/01/2043	3,141.02	-	3,141.02
3/01/2044	3,141.02	-	3,141.02
Total	**490,000.00**	-	**490,000.00**

***Plus $308.22 one-half Percent administrative fee paid quarterly. Total fee over life of loan is $48,082.32.**

YIELD STATISTICS

Bond Year Dollars	$10,066.77
Average Life	**20.544 Years**
Average Coupon	
Net Interest Cost (NIC)	
True Interest Cost (TIC)	1.10E-10
Bond Yield for Arbitrage Purposes	1.10E-10
All Inclusive Cost (AIC)	0.4765211%
IRS **FORM 8038** Net Interest Cost	
Weighted Average Maturity	**20.544 Years**

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:

_____

03/11/04
414550.00001

WEST VIRGINIA
Water Development Authority
Celebrating 35 Years of Service 1974 - 2009

December 2, 2009

THE CITY OF HINTON

Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Griffith & Associates, independent certified public accountants, and an opinion of Steptoe & Johnson PLLC, as bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "WDA"), the registered owner of the Series 1990 A Bonds, the Series 1990 B Bonds and the Series 1990 C Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) (the "Series 2009 B Bonds"), in the aggregate principal amount of $1,662,000 by The City of Hinton (the "Issuer"), under the terms of the ordinance authorizing the Series 2009 B Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Sewer Revenue Bonds, Series 1990 A (West Virginia Water Development Authority), dated June 14, 1990, issued in the original aggregate principal amount of $637,262 (the "Series 1990 A Bonds") and Sewer Revenue Bonds Series 2004 A (West Virginia SRF Program), dated March 30, 2004, issued in the original aggregate principal amount of $490,000 (the "Series 2004 A Bonds"), and senior to the Sewer Revenue Bonds Series 1990 B (West Virginia Water Development Authority), dated June 14, 1990 issued in the original aggregate principal amount of $29,738 (the "Series 1990 B Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Carol A. Cummings
Authorized Representative

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

United States Department of Agriculture
Rural Development
West Virginia State Office

December 2, 2009

The City of Hinton
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Series 1990 C Bonds, hereinafter defined and described, hereby (a) consents to the issuance of the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) in the original aggregate principal amount of $1,662,000 (the "Bonds"), by The City of Hinton (the "Issuer"), under the terms of the bond ordinance authorizing the issuance of the Bonds (the "Ordinance"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Sewer Revenue Bonds, Series 1990 C (United States Department of Agriculture), dated June 14, 1990, issued in the original aggregate principal amount of $668,000 (the "Series 1990 C Bonds"), and (b) waives any requirements imposed by the Series 1990 C Bonds or the ordinance authorizing the Series 1990 C Bonds (the "Prior Ordinance"), regarding the issuance of parity bonds which are not met by the Bonds or the Ordinance; and (c) consents to any amendments made to the Prior Ordinances by the Ordinance.

WITNESSETH my signature on this 2nd day of December, 2009.

State Director

1550 Earl Core Road • Suite 101 • Morgantown, WV 26505
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/TDD: 304.284.4836 • Web: http://www.rurdev.usda.gov/wv

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

ACORD CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YY) 11/04/09

PRODUCER
WV BOARD OF RISK & INSURANCE MANAGEMENT
90 MACCORKLE AVE. SW. SUITE 203
SOUTH CHARLESTON, WV 25303

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.

COMPANIES AFFORDING COVERAGE

COMPANY A: WESTCHESTER FIRE INSURANCE COMPANY

COMPANY B: THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY

COMPANY C:

COMPANY D:

INSURED
CITY OF HINTON SANITARY BOARD
322 SUMMERS STREET
HINTON, WV 25951

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
A	[X] PROPERTY CAUSES OF LOSS [ ] BASIC [ ] BROAD [X] SPECIAL Manuscript [ ] EARTHQUAKE [ ] FLOOD	L 0820	07/01/2009	07/01/2010	[ ] BUILDING [ ] PERSONAL PROPERTY [X] BUSINESS INCOME [X] EXTRA EXPENSE [ ] BLANKET BUILDING [ ] BLANKET PERS PROP [X] BLANKET BLDG & PP	$ $ $ 12 MONTHS $ 12 MONTHS $ $ $ $
	[ ] INLAND MARINE TYPE OF POLICY CAUSES OF LOSS [ ] NAMED PERILS [ ] OTHER	L 0820	07/01/2009	07/01/2010		$ $ $ $ $ $
A	[X] CRIME TYPE OF POLICY	L 0820	07/01/2009	07/01/2010		$ 2,000,000.00 $ $
B	[X] BOILER & MACHINERY	L 0820	07/01/2009	07/01/2010		$ $ 1,000,000.00
	[ ] OTHER					

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY
CITY OF HINTON SANITARY BOARD

SPECIAL CONDITIONS/OTHER COVERAGES

SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO: SEWAGE REVENUE BONDS

CERTIFICATE HOLDER
WEST VIRGINIA WATER DEVELOPMENT AUTHORITY
180 ASSOCIATION DRIVE
CHARLESTON, WV 25311

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Jerry W. Gladwell

© ACORD CORPORATION 1986

ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY

DATE (MM/DD/YY): 11/04/09

PRODUCER
WV BOARD OF RISK & INSURANCE MGT.
90 MACCORKLE AVE. SW, SUITE 203
SOUTH CHARLESTON, WV 25303

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.

INSURERS AFFORDING COVERAGE

INSURED
CITY OF HINTON SANITARY BOARD
322 SUMMERS STREET
HINTON, WV 25951

INSURER A: NATIONAL UNION FIRE CO OF PITTSBURGH, PA
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 LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR X WRONGFUL ACT X PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	L 0820	07/01/2009	07/01/2010	EACH OCCURRENCE	$ 1,000,000
					FIRE DAMAGE (Any one fire)	$ 100,000
					MED EXP (Any one person)	$ 0
					PERSONAL & ADV INJURY	$ INCLUDED
					GENERAL AGGREGATE	$ N/A
					PRODUCTS - COMP/OP AGG	$ N/A
A	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	L 0820	07/01/2009	07/01/2010	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
					BODILY INJURY (Per person)	$
					BODILY INJURY (Per accident)	$
					PROPERTY DAMAGE (Per accident)	$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
					OTHER THAN AUTO ONLY: EA ACC	$
					AGG	$
	EXCESS LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE	$
					AGGREGATE	$
						$
						$
						$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY STOPGAP	L 0820	07/01/2009	07/01/2010	WC STATUTORY LIMITS OTHER	
					E.L. EACH ACCIDENT	$
					E.L. DISEASE - EA EMPLOYEE	$
					E.L. DISEASE - POLICY LIMIT	$
B	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

SEWAGE REVENUE BONDS

CERTIFICATE HOLDER | ADDITIONAL INSURED; INSURER LETTER:

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY
180 ASSOCIATION DRIVE
CHARLESTON, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 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: Jerry W. Gladwell

© ACORD CORPORATION 1988

ACORD 25-S (7/97)
C:\FMPRO\CERTPROS.WEB

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **December 2, 2009**

Re: **The City of Hinton Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)**

---

1. DISBURSEMENTS TO THE CITY OF HINTON

A.

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2009 B Bonds Proceeds
Amount:	$83,100
Form:	Wire Transfer
Payee:	The City of Hinton, 322 Summers Street, Hinton, WV 25951
Bank:	First Century Bank
Routing #:	051500601
Account #:	1030004099
Contact:	Debbie Keffer, 304.466.2087
Account:	Series 2009 Bonds Construction Trust Fund

B.

Payor:	West Virginia Infrastructure Council
Source:	Grant Proceeds
Amount:	$2,443.35
Form:	Wire Transfer
Payee:	The City of Hinton, 322 Summers Street, Hinton, WV 25951
Routing #:	051500601
Account #:	1030004099
Contact:	Debbie Keffer, 304.466.2087
Bank:	First Century Bank
Account:	Series 2009 Bonds Construction Trust Fund

State of West Virginia

WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

PRECLOSING ATTENDANCE LIST

Date 12.01.09 Time 2:00pm LGA Hinton Program CWSRF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Carol A. Cummings	WDA	304-558-3612	304-558-0299	ccummings@wvwda.org
Bryan White	Jackson Kelly PLLC	304 340-1283	304 340-1272	srwhite@jacksonkelly.com
John Stump	Steptoe & Johnson PLLC	304.353.8196	304.353.8188	john.stump@steptoe-johnson.com
Rose Brockersen	WV DEP	304 926 0499 x1608	304 926 0496	Rosalie.M.Brockersen@wv.gov

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 Cris Meadows, City Manager Telephone 304.466.3255 E-Mail hintoncitymanager@hotmail.com

Address P.O. Box 427, Hinton WV 25951

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.

DEP PAYMENT REQUISITION FORM

Rev 04/07/09

1. LOAN RECIPIENT/VENDOR:

NAME: City of Hinton

ADDRESS: 322 Summers Street

Hinton, WV 25951

FEIN: 55-6000185

DUNS: 123969990

SRF #: C-544325-02

INVOICE NUMBER: #1

PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)

FROM: (MO/DAY/YR) 5/7/2009

TO: (MO/DAY/YR) 10/14/2009

% of PHYSICAL CONSTRUCTION COMPLETION NA

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY ARRA
1) CONSTRUCTION	$ 1,428,534		$ 44,954	$ 44,954	44,954
2) ELECTRICAL SERVICE				$ -	
3) ENGINEERING					
a. Planning				$ -	
b. Design	$ 21,116		$ 19,146	$ 19,146	19,146
c. Const Basic	$ 32,271			$ -	
d. Spec Services	$ 39,779			$ -	
e. Inspection	$ 83,519			$ -	
4) a. Legal				$ -	
b. Accountant				$ -	
5) PERMITS / ROW NEG.				$ -	
6) ADMINISTRATIVE	$ 37,781			$ -	
7) CONTINGENCY				$ -	
8) LOAN REPAYMENT				$ -	
9) RESERVE FUND				$ -	
10) CLOSING COSTS	$ 19,000		$ 19,000	$ 19,000	19,000
11) SUBTOTAL	$ 1,662,000		$ 83,100	$ 83,100	83,100
12) LESS PREVIOUSLY PAID					0
13) INVOICE AMOUNT					83,100

14) [signature]	11-17-09	[signature]	11/6/09
AUTHORIZED SIGNATURE	DATE	PERSON PREPARING FORM SIGN	DATE
Joe Blankenship, Mayor		LeAnn Croy, Region I PDC, Project Coordinator	
TYPED OR PRINTED NAME AND TITLE		TYPED OR PRINTED NAME AND TITLE	

AGENCY USE ONLY:

THIS REQUEST APPROVED BY:		WV DEPARTMENT OF ENVIRONMENTAL PROTECTION	
[signature]	11/23/09	[signature]	11/23/09
PROJECT REVIEWER	DATE	AUTHORIZED OFFICER	DATE

RECEIVED
JUL 30 2009
STAFFORD CONSULTANTS

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

July 29, 2009

The Honorable Joe Blankenship
Mayor of City of Hinton
P. O. Box 477
Hinton, WV 25951

RE: City of Hinton
Sewer Extension – Gold Coast
Plans and Specifications Approval
SRF No. C-544352

Dear Mayor Blankenship:

The plans and specifications for the above referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current State and Federal Labor Wage Determinations. This and all addenda and revisions to the contract documents must be telefaxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact David Byrd at (304) 926-0499, ext.1593.

Sincerely,

Mike Johnson, P.E.
Program Manager
Clean Water SRF Program

MJ/db
cc: ✓Dean Upton, P.E., Stafford Consultants Inc.

OWR Permit Details

(1)OWR Permit	
PERMITTEE	HINTON SANITARY BD
DEP OFFICE	OWR
PERMIT ID	WV0024732
ISSUE/REISSUE DATE	03/17/04
EXPIRATION DATE	03/16/09
FACILITY NAME	HINTON SANITARY BD
DESCRIPTION	
No. of CUSTOMERS	1351
DISTURBED ACRES	
SLUDGE TONNAGE	
DESIGN FLOW(MGD)	0.625000
AVERAGE FLOW(MGD)	0
MAJOR FACILITY	N
EXTENSION DATE	12/31/09

(1)Permit Status	
ACTIVE YES/NO	Y
OPEN/CLOSED	O
STATUS	Extended

(2) County / Quad	
County: Summers	Quad: HINTON
County: Summers	Quad: ALDERSON

(15) Inspectable Units	
INSPECTABLE UNIT CODE	TYPE
C006	Combined Sewer Overflow
C009	Combined Sewer Overflow
C008	Combined Sewer Overflow
C002	Combined Sewer Overflow
C003	Combined Sewer Overflow
C004	Combined Sewer Overflow
ENTIRE	Entire Default
IU03	Industrial Users(Pretreatment)
IU02	Industrial Users(Pretreatment)
IU01	Industrial Users(Pretreatment)
IU05	Industrial Users(Pretreatment)
IU04	Industrial Users(Pretreatment)

008	Outlet
001	Outlet
S01	Sludge

(15) Permit Geography

INSPECTABLE UNIT CODE:	001	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 42'5.0000"	
LONGITUDE:	80° 53'17.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	008	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 41'10.0000"	
LONGITUDE:	80° 52'33.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	C002	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 41'10.0000"	
LONGITUDE:	80° 41'10.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	C003	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 39'9.0000"	
LONGITUDE:	80° 53'8.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	C004	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 40'8.0000"	
LONGITUDE:	80° 53'37.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	C006	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 38'53.0000"	
LONGITUDE:	80° 53'5.0000"	

COUNTY:	Summers	
INSPECTABLE UNIT CODE:	C008	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 40'37.0000"	
LONGITUDE:	80° 53'25.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	C009	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 40'26.0000"	
LONGITUDE:	80° 53'34.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	ENTIRE	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 41'10.0000"	
LONGITUDE:	80° 52'33.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	IU01	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 42'5.0000"	
LONGITUDE:	80° 53'17.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	IU02	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 42'5.0000"	
LONGITUDE:	80° 53'17.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	IU03	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 42'5.0000"	
LONGITUDE:	80° 53'17.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	IU04	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		

LATITUDE:	37° 42'5.0000"	
LONGITUDE:	80° 53'17.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	IU05	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 42'5.0000"	
LONGITUDE:	80° 53'17.0000"	
COUNTY:	Summers	
INSPECTABLE UNIT CODE:	S01	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	37° 42'5.0000"	
LONGITUDE:	80° 53'5.0000"	
COUNTY:	Summers	

RECEIVED
JUL 30 2009
STAFFORD CONSULTANTS

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

July 29, 2009

The Honorable Joe Blankenship
Mayor of City of Hinton
P. O. Box 477
Hinton, WV 25951

RE: City of Hinton
Sewer Extension – Gold Coast
Plans and Specifications Approval
SRF No. C-544352

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Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current State and Federal Labor Wage Determinations. This and all addenda and revisions to the contract documents must be telefaxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact David Byrd at (304) 926-0499, ext.1593.

Sincerely,

Mike Johnson, P.E.
Program Manager
Clean Water SRF Program

MJ/db
cc: ✓Dean Upton, P.E., Stafford Consultants Inc.

RECEIVED
6/9/03

Division of Water and Waste Management
1201 Greenbrier Street
Charleston, WV 25311-1088
Telephone Number: (304) 558-4086
Fax Number: (304) 558-5903

West Virginia Department of Environmental Protection

Bob Wise
Governor

Stephanie R. Timmermeyer
Acting Cabinet Secretary

May 30, 2003

Cleo Mathews, Chairperson
City of Hinton
Sanitary Board
Post Office Box 866
Hinton, WV 25951

CERTIFTED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0024732
Modification No. 3

Dear Mx. Mathews:

This letter serves as Modification No. 3 of your existing WV/NPDES Water Pollution Control Permit No. WV0024732 issued the 14th day of April 2000.

After reviewing your peiinit and your application for Modification No. WV0024732-C received the 21 " day of January 2003, the above referenced permit is hereby modified as follows:

To acquire, construct, install, operate, and maintain a sewer extension consisting of 9,000 linear feet of eight (8) inch gravity sewer line, 6,600 linear feet of six (6) inch gravity sewer line, 2,400 linear feet of four (4) inch force main and three (3) pump stations and all necessary valves, controls and appurtenances.

2. To acquire, construct, install, operate, and maintain two pressure relief valves along the New River. The Permit has been modified to include these as CSO Outlets 008 and 009.

The information submitted on and with Permit Modification Application No. WV0024732-C dated the 21st day of January 2003, along with the plans and specifications approved by the Engineering Section, is all hereby made terms and conditions of this Permit with like effect as if all such permit modification application infoii.uation was set forth herein.

PROPOSED UPGRADE TO BE CONSTRUCTED IN ACCORDANCE WITH:

Plans, Specifications, and Reports:

Date Approved: February 10, 2003
Prepared by: Stafford Consultants Inc.
1105 Mercer Street
P.O. Box 5849
Princeton, WV 24740

Title: Hinton Area Sewer Extensions
Phase I
Gold Coast/Brooklin
SRF Project No. C-544352

The City of Hinton shall complete the construction of this upgrade on or before June 30, 2004.

Additionally, the subject Permit is hereby modified to amend Section D.4.a) to incorporate the following land application sites:

Land Application Site(s)	**Maximum Annual Loading Rate(s) Tons/Acre**	**Five(S) Year Cumulative Loading Rate(s) Tons/Acre**	**Lifetime Loading Rate(s) Tons/Acre**
Andy Gwinn			
Field 1	1.6	6.4	127
Stuart Oxley No. 1			
Field 1	1.6	6.4	127

Land Application Site(s)	**Maximum Annual** Loading Rate(s) Tons/Acre	Five(5) Year Cumulative Loading Rate(s) Tons/Acre	Lifetime Loading Rate(s) Tons/Acre
Stuart Oxley No. 2			
Field 1	(Under Evaluation)	(Under Evaluation)	(Under Evaluation)

This Modification in no way relieves the permittee of its obligation to comply with all terms and conditions of its WV/NPDES Permit and shall not constitute an affiimative defense in any enforcement action brought against the permit.

All other terms and conditions of the subject WVINPDES Water Pollution Control Permit shall remain unchanged and in effect.

Enclosed is revised Section A.3.) page 6 of 20, which includes the additional pressure relief points. This document shall supersede the one currently in your possession, and be incorporated, as appropriate, into your existing WV/NPDES Water Pollution Control Permit WV0024732.

All other terms and conditions of the subject permit shall remain in effect and unchanged.

Sincerely,

Allyn G. Turner
Director

AGT/bc/tj s

CC: Env. Inspector Supervisor
Env. Inspector

Section A - Combined Sewer System Overflows

a) Outlet Numbers 002, 003, 004, 005, 006, 007, 008, and 009 listed below serve as combined sewer relief points. Combined Sewer Overflows (CSOs) are allowed only when flows in combined sewers exceed conveyance capacities during wet weather periods. CSOs are point source discharges, which must be provided technology based control measures in accordance with the Clean Water Act. Additional control measures may also have to be provided if determined necessary to comply with water quality standards. At a minimum, technology -based control measures must include best management practices or other noncapital intensive measures to minimize discharges and water quality impacts.

Outlet	Name and Location	Receiving Stream
002	Main Lift Station- ---°_~ Long. 80°52'33" W	New River
003	Bellepoint Lift Station Lat. :7°39'03" N Long. 80°53'08" W	New River
004	Avis, Behind Gore's Auto Body Lat. 37°40'8" N Long. 80°53 '37" W	New River
OOG	Bellepoint-intersection Greenbrier Ave. And Riverside Drive Lat. 37°38'53" N Long. 80°53'05" W	New River
007	Bellepoint-Behind Mobile Homes on Riverside Drive Lat. 37°38'51" N Long. 80°53'04" W	New River
008	Between New River and CSX Railroad Tracks Lat. 37°40'37" N Long. 80°53'25.4" W	New River
009	Between New River and CSX Railroad Tracks Lat. 37°40 25.2" N Long. 80°53'34.3` W	New River

b) COMPLIANCE SCHEDULE

The pemaittee shall comply with CSO requirements in accordance with the.following schedule:

(1) Evaluation of water quality impacts -On, or before, January], 2001
As outlined in Section A.3.e)

(2) Completion of Long-Term Control Plan -On, or before, January 1, 2002
If needed as outlined in Section A.3.f)

SWEEP RESOLUTION

The City of Hinton

WHEREAS, The City of Hinton (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes or will make monthly debt service payments on and transfers reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer, thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic funds transfer with the State Treasurer sweeping the Issuer's account.

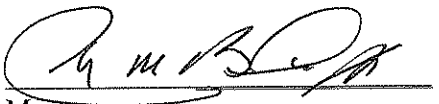
NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on and reserve funds for the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Mayor and Clerk are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 17th day of November, 2009.



Mayor

American Recovery and Reinvestment Act of 2009 (ARRA)

Project Certification

Program: West Virginia Clean Water State Revolving Fund

Project: Hinton, Summers County

Description:

Sewer extensions to serve approximately 30 additional customers in the "Gold Coast" area along WV Route 20.

Total Project Cost

$1,662,000

ARRA Assistance Provided

$1,662,000

I hereby certify that the above project has received the full review and vetting required by federal law and that the investment of federal and state funds in this infrastructure project is an appropriate use of taxpayer dollars.

This certification will be posted on the Governor's website and linked to the federal ARRA website www.recovery.gov.

Randy C. Huffman, Cabinet Secretary

11/2/09
Date

dep
west virginia department of environmental protection

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 16th day of April 2009

GENERAL ORDER NO. 182.09

Public Service Commission intended procedures concerning water and sewer projects that are funded with federal stimulus funds.

COMMISSION ORDER

Earlier this year, Congress enacted and the President signed the *American Recovery and Reinvestment Act of 2009*. Under this legislation, the State of West Virginia is to receive certain stimulus funds, a portion of which will be dedicated to the construction of water and sewer infrastructure. The Public Service Commission ("Commission") has received information from various funding agencies. The State Bureau for Public Health through its drinking water treatment revolving fund will have approximately $19.5 million for water projects. In addition, the State Department of Environmental Protection through the clean water state revolving fund will have approximately $61 million for sewer projects. Both of these state agencies have indicated that they intend to have the projects bid by August 2009 and contracts awarded by October 2009. In addition, certain other stimulus funds for water and sewer projects will be administered by the U.S. Department of Agriculture, Rural Utilities Service.

Although the Commission is not a funding source for the stimulus funds, it will nonetheless be called upon to process utility applications for certificates of public convenience and necessity ("certificates") to authorize the construction of stimulus-funded water and sewer projects. Given the aggressive schedule planned by the funding agencies, and the requirement in the federal law that water and sewer projects be "shovel ready," meaning under construction within a quick time line, the Commission intends to expedite these applications to the greatest extent possible consistent with existing State Law.

As a preliminary observation, the Commission would stress that applications must be complete and the statutory thirty-day notice to the public must be given at the outset of the application. Failure to file complete applications or failure to provide timely public notice will lead to delays in processing projects and jeopardize the ability to receive federal stimulus funds. The Commission anticipates that it will receive (i) new applications for water and sewer projects using federal stimulus funds, (ii) amendments to pending applications

containing some measure of federal stimulus funds, and (iii) petitions to reopen certificates already issued seeking to amend funding by including federal stimulus funds. The Commission issues this General Order to inform the public, regulated utilities, attorneys who practice before the Commission, funding agencies, and the staff of the Commission of its intended procedures and processes.

With respect to new stimulus project applications, the Commission intends that applicants and Staff observe the following procedures. At the outset, the Commission again stresses that it is essential that a utility project sponsor file a complete application and provide timely public notice of its application.

1. Staff assigned to the case should immediately review the filing to determine if it is complete. The Initial Joint Staff Memorandum should be filed within ten days.[1]

2. If the filing is complete and does not require an increase in rates for the project, Staff should file its Final Joint Staff Memorandum in thirty-five days which allows for the protest period assuming the applicant has timely published notice.

3. If the filing is complete and includes a proposed increase in rates for the project, Staff may deem it necessary to file a data request for items needed to complete the review and make a final Staff recommendation. This data request should be filed within ten days. The applicant should expedite its response to Staff's requests and Staff should file its Final Joint Staff Memorandum within forty-five to sixty days

4. If the filing is not complete, irrespective of whether or not the application seeks an increase in rates, Staff should file a data request, if necessary, for the items needed to complete the review and make a final Staff recommendation. This data request should be filed within ten days. The applicant should expedite its responses to Staff's requests and Staff should file its Final Joint Staff Memorandum within forty-five to sixty days.

5. If rates are required for the project and a rate change has not been included with the application:

   A. For municipalities, the processing time is out of the Commission's ability to control. Staff needs to determine where the municipality is in the ordinance process and what else is needed to process the case. This should all be part of the Initial Joint Staff Memorandum to let the Commission know if the case can be processed or needs dismissed. (Certificates and rate ordinances need to be coordinated for a municipal appeal.) Data requests should still be filed within the ten-day period.

---

[1] Days in this Order are calendar days. Filings due on weekends or holidays are due the next working day.

B. Public service districts ("districts") that need rates for the project can follow steps 1 and 3 or 4 above.

C. Districts that require rates outside of the project and are in default on bonds cannot move forward. Staff must address this in its initial memorandum.

5. For newly-filed water or sewer applications for certificates of convenience and necessity where the funding is described at the time of the filing as Stimulus Funding the Commission shall designate the filings as "SCN." The Commission, its Staff and Administrative Law Judges, will process those designated filings as expeditiously as possible.

The stimulus funds may be used to replace existing funding for projects that are ready to proceed, allowing the State of West Virginia to fund more projects than planned and provide an enhanced investment in water and sewer infrastructure to unserved and under-served areas of the State. To expedite the processing of projects that have already received a certificate and are eligible to receive stimulus funds, the Commission plans the following process and procedures:

6. In instances where municipalities or municipal water or sewer boards ("municipal utilities") have already been granted certificates, and in the event the municipality is awarded a stimulus assistance funding package to replace either existing grant or loan funding from another source, the municipal utility shall only be required to file with the Commission a letter from the funding agency that describes the change in the project funding. The filing will be treated as a closed entry by the Executive Secretary and the Commission anticipates no further action by the Commission.

7. Similarly, for districts that are awarded a stimulus assistance funding package equivalent to the existing grant money from another source, that has no impact on rates, the district shall only be required to file with the Commission a letter from the funding agency that describes the change in the project funding. The filing will be treated as a closed entry by the Executive Secretary and the Commission anticipates no further action by the Commission.

8. In the event that a district is awarded a stimulus assistance funding package and the benefit to the customers of such improved financing is lower project costs, the district will only be required to file a petition to reopen the original formal case granting the certificate in order that the Commission may review the rates established for the project.

The Commission will provide for such petitions to reopen to be handled in an expedited manner. To that end, the district will be required to file with its petition to reopen a letter from the funding agency that describes the change in project funding, specifically setting forth the newly-committed funding and an accompanying calculation by the district

of the impact to its rates together with supporting documentation. Upon the filing of this information, Staff will perform a review of the revised project funding and rate calculations and file a final recommendation with the Commission stating its recommended rates as soon as possible, but no later than ten days after receipt of the petition. The Commission will issue an order as soon thereafter as possible.

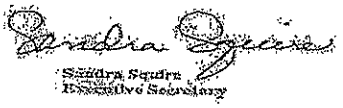
9. For districts that are awarded a stimulus assistance funding package to supplement funding to deal with a cost overrun in whole or part, that has no impact on rates, the district may utilize the enhanced funding to first fund any project alternatives that were reviewed as either deducts or adducts that were approved as a part of the original certificate, contingent upon funding, in order that all portions of the project can be constructed. In this event, the district shall be required to file with the Commission a letter from the funding agency that describes both the change in the project funding and also notes the deducts or adducts that will be funded for construction. The filing will be treated as a closed entry by the Executive Secretary and the Commission anticipates no further action on its part.

The issuance of these guidelines should expedite these projects and the continuing effort to provide quality water and sewer service throughout the State of West Virginia. The Commission understands that there will be instances and situations where events will disrupt these intended procedures; however, the Commission expects all parties to use their best efforts to process these cases in a timely manner. Finally, given the aggressive time frame contemplated by the funding agencies and the intent to have bids out by August 2009, project applications should be filed no later than June 1, 2009, to avoid jeopardizing the timely consideration of those applications.

IT IS SO ORDERED.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission give public notice of this order in a manner deemed most efficient and appropriate.

A True Copy, Teste:



Sandra Squire
Executive Secretary

go18209c.wpd

IC-2
(10/09)

GRANT AGREEMENT
(2009S-1140)

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 HINTON (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $108,646 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit A, unless the Council and Authority are provided replacement instructions in writing.

5. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit B.

6. The Governmental Agency shall comply with and is bound by the Council=s rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

CITY OF HINTON

By: _____
Its: Mayor
Date: December 2, 2009

(SEAL)

Attest: _____
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: December 2, 2009

(SEAL)

Attest: _____
Its: Secretary-Treasurer

Exhibit A

Project Description

The Project consists of extending sewer treatment service to approximately 23 customers along WV Route 20 in the Gold Coast area near Hinton.

[To Be Placed on Letterhead]

Exhibit B

Wiring Instructions

_____, 20__

City of Hinton
1439 E. Main Street, Suite 5
Princeton, West Virginia 24740

Payor:	West Virginia Water Development Authority
Source:	Grant Proceeds
Amount:	$_____
Date:	_____, 20__
Form:	Electronic Funds Transfer
Payee:	City of Hinton
Contact Name:	LeAnn Croy
Telephone:	304-431-7230
Bank Name:	First Century Bank
Bank Street Address:	500 Federal St., Bluefield, WV 24701
Bank Contact:	Donna Shumate
Telephone:	304-324-3254
Routing No.:	051500601
Account No.:	1030004099
Account Name:	Hinton Gold Coast Sewer Project