TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

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TOWN OF NEW HAVEN
SEWER REVENUE BONDS, SERIES 2010 B
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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TOWN OF NEW HAVEN

BOND ORDINANCE

ORDINANCE AUTHORIZING THE PAYMENT OF THE PRIOR NOTES, THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE TOWN OF NEW HAVEN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $4,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A 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 TOWN OF NEW HAVEN:

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 Town of New Haven (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Mason County of said State.

B. The Issuer deems it necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed additions and improvements to its existing public sanitary sewer system, consisting of upgrading the existing wastewater treatment plant pump station, installing a second pump station, installing a bar screen, replacing the aeration blowers and electrical controls, upgrading the chlorination process with ultra violet disinfection, repairs to chlorine contact tank, installing SCADA for pump stations, repairs to various service lines and all necessary appurtenances

(collectively, the "Project") (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 Recorder of the Issuer.

C. The Issuer has heretofore temporarily financed the design and other preliminary costs of the Project by the issuance of a Promissory Note to Farmer's Bank and Savings Company, dated October 11, 2007, issued in the original aggregate principal amount of $90,000 (the "Prior Notes").

D. It is deemed necessary and desirable for the Issuer to pay the Prior Notes.

E. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), in the total aggregate principal amount of not more than $4,000,000 (the "Series 2010 B Bonds"), initially to be represented by a single bond, to pay the Prior Notes and permanently finance 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 therefore and eligible under the SRF Program; amounts which may be deposited in the Series 2010 B Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as 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 2010 B 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 2010 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

G. It is in the best interests of the Issuer that its Series 2010 B 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.

H. The Issuer will have the following outstanding obligations which will rank on a parity with the Series 2010 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's (i) Supplemental Subordinate Sewer Revenue Bonds, Series 1982 B (West Virginia Water Development Authority), dated October 27, 1982, issued in the original aggregate principal amount of $89,500 (the "Series 1982 B Bonds"); and (ii) Sewer Refunding Revenue Bonds, Series 2010 A, expected to be issued in October 2010, (the "Series 2010 A Bonds"), or if not refunded, the Sewer System Refunding Revenue Bonds, Series 2004 A, dated March 30, 2004 issued in the original aggregate principal amount of $525,000 (the "Series 2004 A Bonds") (collectively, the "Prior Bonds").

The Series 2010 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2010 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1982 B Bonds, to the issuance of the Series 2010 B Bonds on a parity with the Series 1982 B Bonds. Neither, the Series 2004 A Bonds nor the Series 2010 A Bonds will require consent to issue the Series 2010 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 the covenants of the Prior Bonds and the Prior Ordinances.

I. 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.

J. 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 2010 B 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 2010 B Bonds or such final order will not be subject to appeal.

K. 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 2010 B Bonds for the purposes set forth herein.

L. 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 2010 B Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2010 B Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, 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 2010 B 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 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 2010 B Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"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 2010 B Bonds, and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Series 2010 B Bonds for all or a portion of the proceeds of the Series 2010 B Bonds from the Authority and the DEP.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Triad Engineering, Inc., St. Albans, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G,

Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02G 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, board or department of the State that succeeds to the functions of the DEP.

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

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

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

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

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

"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.

"Issuer" means the Town of New Haven, a municipal corporation and political subdivision of the State of West Virginia, in Mason 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 2010 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2010 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 2010 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

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

"Paying Agent" means the Commission or other entity or authority designated as such for the Series 2010 B Bonds in the Supplemental Resolution, with the written consent of the Authority and the DEP.

"Prior Bonds" means the Series 1982 B Bonds and the Series 2010 A Bonds or if not refunded the Series 2004 A Bonds.

"Prior Notes" means the Promissory Note to Farmer's Bank and Savings Company, dated October 11, 2007, issued in the original aggregate principal amount of $90,000.

"Prior Ordinance" means the ordinances authorizing the Prior Bonds.

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

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC 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 therefore; 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; 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 Section 5.01 hereof.

"Reserve Accounts" means, collectively, the reserve account established by Section 5.01 hereof for the Series 2010 B Bonds and the reserve accounts established for the Prior Bonds pursuant to the Prior Ordinances.

"Reserve Requirement" means collectively, the respective amounts required to be on deposit in any Reserve Account pursuant to this Ordinance and the Prior Ordinances.

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

"Series 1982 B Bonds" means the Issuer's Supplemental Subordinate Sewer Revenue Bonds, Series 1982 B (West Virginia Water Development Authority), dated October 27, 1982, issued in the original aggregate principal amount of $89,500.

"Series 2004 A Bonds" means the Issuer's Sewer System Refunding Revenue Bonds, Series 2004 A, dated March 30, 2004, issued in the original aggregate principal amount of $525,000 which are expected to be refunded with the Series 2010 A Bonds.

"Series 2010 A Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 2010 A (the "Series 2010 A Bonds") expected to be issued in October 2010.

"Series 2010 B Bonds" means Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2010 B Bonds Construction Trust Fund" means the Series 2010 B Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2010 B Bonds Reserve Account" means the Series 2010 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2010 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 2010 B Bonds in the then current or any succeeding year.

"Series 2010 B Bonds Sinking Fund" means the Series 2010 B Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2010 B 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 2010 B Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2010 B Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal sewage treatment and collection system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any and all additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND PAYMENT OF THE PRIOR NOTES

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $4,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2010 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received or will receive 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 $4,000,000, which will be obtained from the proceeds of the Series 2010 B Bonds.

Section 2.02. Authorization of Payment of the Prior Notes. There is hereby authorized and ordered the payment in full of the entire outstanding principal and the interest on the Prior Notes on the Closing Date. The cost of which will be paid from the proceeds of the Series 2010 B Bonds. Upon payment in full of the Prior Notes, any funds pledged in favor of the holders of the Prior Notes are hereby ordered terminated, discharged and released.

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 2010 B Bonds, funding a reserve account for the Series 2010 B 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 2010 B Bonds of the Issuer. The Series 2010 B Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program)", in the principal amount of not more than $4,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2010 B Bonds remaining after funding of the Series 2010 B Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2010 B Bonds, if any, shall be deposited in or credited to the Series 2010 B 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 2010 B 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 2010 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, if any, on the Series 2010 B 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 2010 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2010 B Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2010 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. 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 2010 B Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2010 B Bonds shall cease to be such officer of the Issuer before the Series 2010 B Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2010 B Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of the authorization of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2010 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2010 B Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2010 B Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2010 B Bonds shall be conclusively deemed to have

agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2010 B Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2010 B Bonds.

The registered Series 2010 B Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2010 B Bonds or transferring the registered Series 2010 B Bonds are exercised, all Series 2010 B Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2010 B Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2010 B Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2010 B Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2010 B Bonds or, in the case of any proposed redemption of Series 2010 B 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 2010 B 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 2010 B 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 2010 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 B Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all Series 2010 B 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 Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2010 B 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 2010 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2010 B Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2010 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2010 B 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 2010 B Bonds.

Section 3.10. Form of Bonds. The text of the Series 2010 B Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF NEW HAVEN
SEWER REVENUE BONDS, SERIES 2010 B
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: The ____ day of _____, 2010, that the TOWN OF NEW HAVEN, a municipal corporation and political subdivision of the State of West Virginia in Mason 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 an 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) 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 _____, 2010.

This Bond is issued (i) to pay the Prior Notes; (ii) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the public sewerage system of the Issuer (the "Project"); (iii) to fully fund the Series 2010 B Bonds Reserve Account; and (iv) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The 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 _____, 2010, and a Supplemental Resolution duly adopted by the Issuer on _____, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and

conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT BEING THE ISSUER'S (I) SUPPLEMENTAL SUBORDINATE SEWER REVENUE BONDS, SERIES 1982 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 27, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $89,500 (THE "SERIES 1982 B BONDS"); AND (II) SEWER REFUNDING REVENUE BONDS, SERIES 2010 A (THE "SERIES 2010 A BONDS") EXPECTED TO BE ISSUED IN OCTOBER 2010, (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 Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2010 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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 2010 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, Prior Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds; provided however, that so long as there exists in the Series 2010 B 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, an amount at least equal to the requirement therefore, 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 and interest on of this Bond.

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF NEW HAVEN 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 2010 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: _____, 2010.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(21)	$	
(2)	$		(22)	$	
(3)	$		(23)	$	
(4)	$		(24)	$	
(5)	$		(25)	$	
(6)	$		(26)	$	
(7)	$		(27)	$	
(8)	$		(28)	$	
(9)	$		(29)	$	
(10)	$		(30)	$	
(11)	$		(31)	$	
(12)	$		(32)	$	
(13)	$		(33)	$	
(14)	$		(34)	$	
(15)	$		(35)	$	
(16)	$		(36)	$	
(17)	$		(37)	$	
(18)	$		(38)	$	
(19)	$		(39)	$	
(20)	$		(40)	$	

TOTAL $

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Series 2010 B 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 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 Prior Ordinance and hereby continued);

(2) Renewal and Replacement Fund (established by Prior Ordinance and hereby continued); and

(3) Series 2010 B Bonds Construction Trust Fund.

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

(1) Series 1982 B Bonds Sinking Fund (established by Prior Ordinance and hereby continued);

(2) Series 1982 B Bonds Reserve Account (established by Prior Ordinance and hereby continued)

(3) Series 2010 A Bonds Sinking Fund (established by Prior Ordinance and hereby continued);

(4) Series 2010 A Bonds Reserve Account (established by Prior Ordinance and hereby continued)

(5) Series 2010 B Bonds Sinking Fund; and

(6) Series 2010 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

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

(1) The Issuer shall first, each month, pay from the moneys in the Revenue Fund all Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by Prior Ordinance to pay interest on the Series 2010 A Bonds

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission (i) the amounts required by Prior Ordinance to pay principal on the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 B Bonds, for deposit in the Series 2010 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2010 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 2010 B Bonds Sinking Fund and the next quarterly principal payment date is less than 4 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 remit to the Commission (i) the amounts required by Prior Ordinance to be deposited in the respective Reserve Accounts for the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 B Bonds, if not fully funded upon issuance of the Series 2010 B Bonds, for deposit in the Series 2010 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 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 2010 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 for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such 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 moneys from the Renewal and Replacement Fund.

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

All investment earnings on monies in the Series 2010 B Bonds Sinking Fund and the Series 2010 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 2010 B 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 2010 B Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2010 B Bonds Reserve Account which result in a reduction in the balance of the Series 2010 B Bonds Reserve Account to below the Series 2010 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority as set forth above.

As and when additional Bonds ranking on a parity with the Series 2010 B 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 2010 B Bonds Sinking Fund or into the Series 2010 B Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2010 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the

Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account created hereunder, and all required amounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into the Series 2010 B Bonds Sinking Fund and the Series 2010 B 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 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2010 B Bonds Sinking Fund, including the Series 2010 B Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2010 B 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 2010 B 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 the Act, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made

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

H. All remittances made by the Issuer to the Commission and the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

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

J. All Tap Fees shall be deposited 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 2010 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 B Bonds, there shall first be deposited with the Commission in the Series 2010 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2010 B Bonds, there shall be deposited with the Commission in the Series 2010 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2010 B Bonds Reserve Account.

C. Next from the proceeds of the Series 2010 B Bonds, there shall be deposited with the holder of the prior Notes, the amount set forth in the Supplemental Resolution to pay the Prior Notes.

D. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2010 B Bonds, such monies shall be deposited with the Depository Bank in the 2010 B 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 2010 B Bonds.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2010 B Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements From the Series 2010 B 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 2010 B 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 2010 B Bonds Construction Trust Fund shall be made only after submission to, and approved from, the Authority and the DEP of 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

Pending such application, monies in the Series 2010 B 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 2010 B Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2010 B Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2010 B Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 B 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 2010 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 B Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2010 B Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System on a parity with the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2010 B Bonds, the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The 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 Bond Purchase 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 and approved and described in the sewer rate ordinance of the Issuer enacted February 23, 2010, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2010 B 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 2010 B Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as the Series 2010 B Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to 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 2010 B Bonds, immediately be remitted to the Commission for deposit in the Series 2010 B Bonds Sinking Fund, and, with the written permission of the Authority or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2010 B 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 Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such funds by other provisions of this Bond Legislation.

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

the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in this 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 2010 B Bonds. All obligations issued by the Issuer after the issuance of the Series 2010 B Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2010 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation 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 2010 B Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2010 B Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2010 B Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2010 B Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, 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 2010 B 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 2010 B Bonds.

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

Section 7.08. Books; Records and 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 2010 B Bonds, and shall mail in each year to any Holder or Holders of the Series 2010 B Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations 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 in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2010 B Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2010 B Bonds. Such audit report submitted to the Authority and the DEP shall

include a statement that the Issuer is in compliance with the terms and provisions of the 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 2010 B 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 2010 B Bonds, the Prior Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 B Bonds; provided that, in the event the amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2010 B Bonds Reserve Account and any Reserve Accounts for obligations on a parity with or junior to the Series 2010 B Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 B Bonds, the Prior Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 B 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.

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 Authority. Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 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 2010 B Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the 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 Recorder 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 2010 B 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.

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 7.19. [RESERVED]

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2010 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 2010 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 2010 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 2010 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 2010 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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 2010 B Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 2010 B 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 2010 B Bonds as a condition to issuance of the Series 2010 B 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 2010 B Bonds as may be necessary in order to maintain the status of the Series 2010 B 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 2010 B 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 2010 B 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 2010 B 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 2010 B Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2010 B Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2010 B Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2010 B Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

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

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

rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2010 B Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other 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 2010 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 2010 B 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 2010 B Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 B Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2010 B Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2010 B Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, 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 2010 B Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2010 B Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2010 B Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2010 B Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

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. 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 *Point Pleasant Register*, a newspaper published and of general circulation in the Town of New Haven, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2010 B Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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

Passed on First Reading:	September 28, 2010
Passed on Second Reading:	October 12, 2010
Passed on Final Reading Following Public Hearing:	October 26, 2010

Ronald Zarkle
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of New Haven on the 26th day of October, 2010.

Dated: December 16, 2010

[SEAL]

Recorder

08.24.10
658600.00002

EXHIBIT A

Bond Purchase Agreement included in bond transcript as Document 3.

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM), OF THE TOWN OF NEW HAVEN; APPROVING AN ORDINANCE; 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 Town of New Haven (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective October 26, 2010 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE PRIOR NOTES, THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE TOWN OF NEW HAVEN AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $4,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A 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 2010 B (West Virginia SRF Program), of the Issuer, in an aggregate principal amount not to exceed $4,000,000 (the "Bonds" or the "Series 2010 B Bonds");

WHEREAS, the Bond Ordinance has authorized the execution and delivery of the Bond Purchase Agreement relating to the Series 2010 B Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and in the Bond Ordinance it is provided that the form of the Bond Purchase Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF NEW HAVEN:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the original aggregate principal amount of $3,277,500. The Series 2010 B Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2042, and shall bear no interest. The principal of the Series 2010 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2012, to and including March 1, 2042, 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 2010 B Bonds. The Series 2010 B Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2010 B Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2010 B Bonds set forth in "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 City National Bank, New Haven, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2010 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 B Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2010 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 B Bonds Reserve Account.

Section 9. Series 2010 B Bonds proceeds in the amount of $75,049.73 shall be paid by check to Farmer's Bank and Savings Company, Mason, West Virginia to pay the outstanding principal balance of and all accrued interest on the Issuer's Prior Notes at Closing.

Section 10. The proceeds of the Series 2010 B Bonds shall be deposited in or credited to the Series 2010 B Bonds Construction Trust Fund as received from the DEP from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about December 16, 2010, to the Authority pursuant to the Bond Purchase Agreement.

Section 12. The payment of the Prior Notes and the acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a

public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

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

Section 14. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2010 B Bonds Sinking Fund and the Series 2010 B Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

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

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Adopted this 23rd day of November, 2010.

By: Ronald Zarble
Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of New Haven on the 23rd day of November, 2010.

Dated: December 16, 2010

[SEAL]

Recorder

11.19.10
658600.00002

SRF-BPA-1
(11/01/04)

BOND PURCHASE AGREEMENT

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

TOWN OF NEW HAVEN (2007S-1008/C-544430)
(Local Government)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

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

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

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

ARTICLE II

The Project and the System

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

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

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

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local

Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

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

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

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

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their

interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial

Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 10th of each month to the DEP and the Authority.

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

ARTICLE III

Conditions to Purchase of Local Bonds; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and

acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Bond Purchase Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall purchase the Local Bonds of the Local Government and the Local Government shall issue and sell the Local Bonds to the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall purchase the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase Agreement.

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

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

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

(iv) That, except as otherwise required by State law or the SRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required

for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

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

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

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

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

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that 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;

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Bond Purchase Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Bond Purchase Agreement.

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

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

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

desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF NEW HAVEN

(SEAL)

By: _____
Its: Mayor
Date: December 16, 2010

Attest:

_____
Its: Recorder

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

By: _____
Its: Director
Date: December 16, 2010

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: November 4, 2010

Attest:

_____
Its: Authorized Officer

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 Bond Purchase Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated _____.

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

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

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

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

_____

By _____
West Virginia License No. __

[SEAL]

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

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

EXHIBIT E

SPECIAL CONDITIONS

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

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

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$____
Principal	$____
Total:	$____
Reserve Account:	$____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

West Virginia Department of Environmental Protection
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 bond purchase agreement dated ____, ___, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, ___ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____ 1, ____, and ending __ 1, ____, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Local Bonds.

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

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

(collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Bond Purchase Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $3,277,500
Purchase Price of Local Bonds $3,277,500

The Local Bonds shall bear no interest. Commencing June 1, 2012, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

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

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

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

(i) Town of New Haven Supplemental Subordinate Sewer Revenue Bonds, Series 1982 B (West Virginia Water Development Authority), dated October 27, 1982, issued in the original aggregate principal amount of $89,500; and

(ii) Town of New Haven Sewer Refunding Revenue Bonds, Series 2010 A, (the "Series 2010 A Bonds"), dated November 9, 2010, issued in the original aggregate principal amount of $370,000.

Number of New Customers: 7
Location: Layne Street east of the intersection between Layne Street and Midway Drive.

SCHEDULE Y
DEBT SERVICE SCHEDULE

BOND DEBT SERVICE
Town of New Haven
CW SRF
0% Interest Rate, 0.5% Administrative Fee

Dated Date	12/16/10	
Delivery Date	12/16/10	
		Series B Bonds
Period Ending	**Principal**	**Interest**	**Debt Service**
6/1/12	27,313		27,313
9/1/12	27,313		27,313
12/1/12	27,313		27,313
3/1/13	27,313		27,313
6/1/13	27,313		27,313
9/1/13	27,313		27,313
12/1/13	27,313		27,313
3/1/14	27,313		27,313
6/1/14	27,313		27,313
9/1/14	27,313		27,313
12/1/14	27,313		27,313
3/1/15	27,313		27,313
6/1/15	27,313		27,313
9/1/15	27,313		27,313
12/1/15	27,313		27,313
3/1/16	27,313		27,313
6/1/16	27,313		27,313
9/1/16	27,313		27,313
12/1/16	27,313		27,313
3/1/17	27,313		27,313
6/1/17	27,313		27,313
9/1/17	27,313		27,313
12/1/17	27,313		27,313
3/1/18	27,313		27,313
6/1/18	27,313		27,313
9/1/18	27,313		27,313
12/1/18	27,313		27,313
3/1/19	27,313		27,313
6/1/19	27,313		27,313
9/1/19	27,313		27,313
12/1/19	27,313		27,313
3/1/20	27,313		27,313
6/1/20	27,313		27,313
9/1/20	27,313		27,313
12/1/20	27,313		27,313
3/1/21	27,313		27,313
6/1/21	27,313		27,313
9/1/21	27,313		27,313
12/1/21	27,313		27,313
3/1/22	27,313		27,313

BOND DEBT SERVICE

Town of New Haven

CW SRF

0% Interest Rate, 0.5% Administrative Fee

Period Ending	Principal	Interest	Debt Service
6/1/22	27,313		27,313
9/1/22	27,313		27,313
12/1/22	27,313		27,313
3/1/23	27,313		27,313
6/1/23	27,313		27,313
9/1/23	27,313		27,313
12/1/23	27,313		27,313
3/1/24	27,313		27,313
6/1/24	27,313		27,313
9/1/24	27,313		27,313
12/1/24	27,313		27,313
3/1/25	27,313		27,313
6/1/25	27,313		27,313
9/1/25	27,313		27,313
12/1/25	27,313		27,313
3/1/26	27,313		27,313
6/1/26	27,313		27,313
9/1/26	27,313		27,313
12/1/26	27,313		27,313
3/1/27	27,312		27,312
6/1/27	27,312		27,312
9/1/27	27,312		27,312
12/1/27	27,312		27,312
3/1/28	27,312		27,312
6/1/28	27,312		27,312
9/1/28	27,312		27,312
12/1/28	27,312		27,312
3/1/29	27,312		27,312
6/1/29	27,312		27,312
9/1/29	27,312		27,312
12/1/29	27,312		27,312
3/1/30	27,312		27,312
6/1/30	27,312		27,312
9/1/30	27,312		27,312
12/1/30	27,312		27,312
3/1/31	27,312		27,312
6/1/31	27,312		27,312
9/1/31	27,312		27,312
12/1/31	27,312		27,312
3/1/32	27,312		27,312
6/1/32	27,312		27,312
9/1/32	27,312		27,312
12/1/32	27,312		27,312

BOND DEBT SERVICE

Town of New Haven

CW SRF

0% Interest Rate, 0.5% Administrative Fee

Period Ending	Principal		Interest	Debt Service
3/1/33	27,312			27,312
6/1/33	27,312			27,312
9/1/33	27,312			27,312
12/1/33	27,312			27,312
3/1/34	27,312			27,312
6/1/34	27,312			27,312
9/1/34	27,312			27,312
12/1/34	27,312			27,312
3/1/35	27,312			27,312
6/1/35	27,312			27,312
9/1/35	27,312			27,312
12/1/35	27,312			27,312
3/1/36	27,312			27,312
6/1/36	27,312			27,312
9/1/36	27,312			27,312
12/1/36	27,312			27,312
3/1/37	27,312			27,312
6/1/37	27,312			27,312
9/1/37	27,312			27,312
12/1/37	27,312			27,312
3/1/38	27,312			27,312
6/1/38	27,312			27,312
9/1/38	27,312			27,312
12/1/38	27,312			27,312
3/1/39	27,312			27,312
6/1/39	27,312			27,312
9/1/39	27,312			27,312
12/1/39	27,312			27,312
3/1/40	27,312			27,312
6/1/40	27,312			27,312
9/1/40	27,312			27,312
12/1/40	27,312			27,312
3/1/41	27,312			27,312
6/1/41	27,312			27,312
9/1/41	27,312			27,312
12/1/41	27,312			27,312
3/1/42	27,313	**		27,313
	3,277,500			**3,277,500**

** Plus a Quarterly administrative fee of $2,065.50 for a total Administrative Expense of $247,860.00

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

10/13/2010

Entered: September 23, 2010

CASE NO. 10-0875-S-CN

TOWN OF NEW HAVEN,
New Haven, Mason County.
Application for a certificate of convenience and necessity to construct additions and improvements to the Town's existing sewerage system; and for approval of the financing thereof.

RECOMMENDED DECISION

On June 14, 2010, the Town of New Haven ("Town"), by counsel Todd M. Swanson, filed with the Public Service Commission ("Commission") an application for a certificate of convenience and necessity to construct additions and improvements to its existing sewerage system, and for approval of the financing thereof. Supporting documentation was filed.

Also on June 14, 2010, the Commission directed the Town to publish a Notice of Filing, which provided that, if no substantial protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application.

On June 25, 2010, by Order, the Commission referred this matter to the Division of Administrative Law Judges for decision no later than November 29, 2010, if timely substantial protest was received, and no later than October 27, 2010, if such protest was not filed.

On July 7, 2010, the Town filed an affidavit of publication of the Notice of Filing on June 24, 2010, in the Point Pleasant Register, published in Mason County.

On September 13, 2010, Staff Attorney Ronald E. Robertson filed the Final Joint Staff Memorandum, and an attached memorandum from Mansour Mashayekhi, of the Engineering Division, and Karen L. Buckley, of the Utilities Division, which explained the following: The planned improvements at the Town's wastewater treatment plant include installing a second pump station, installing an automatic bar screen, replacing the existing aeration blowers, adding variable

frequency drives, installing diffused aeration for the sludge holding tank, replacing the electrical controls and motor control center, supplementing the chlorination/dechlorination process with an ultra-violet disinfection unit, repairing the baffle walls in the existing chlorine contact tank, and providing an automatic transfer switch for the emergency generator. Also included in the project is replacing various services lines along Layne Street and Midway Drive and installing SCADA software for the existing pump stations. The project is estimated to cost $3,277,500, including a construction cost of $2,431,470, to be financed by a $3,277,500 West Virginia Department of Environmental Protection ("WVDEP") loan, payable over thirty years at an annual 0% interest rate and a 0.5% administrative fee. A sewer rate increase that was passed by ordinance in February and will become effective on July 1, 2011, will provide adequate revenue for the Town's expenses and debt service. Staff bulleted seven reasons why the project is needed, including that the sewer pipe in the Layne Street/Midway Drive area is deteriorated; 200 feet of aerial sewer line in the Broad Creek area is in danger of breaking; periodic loss of power at the pump stations has caused sewage backups; and the equipment at the twenty-three-year-old treatment plant needs to be replaced and updated. The project will not require any modification of the Town's existing WVDEP NPDES Permit, No. 0032531. Staff recommended that the project be approved, with the exception of the installation of the ultra-violet disinfection technology. Staff explained that, as part of the project, internal damaged walls of the chlorination/dechlorination unit will be repaired and Staff opined that, once repaired, the unit will be sufficient to meet the Town's NPDES permit's disinfection requirements. Staff noted that removing the installation of the supplemental ultra-violet disinfection technology from the project should reduce the project's cost by $120,000.

On September 22, 2010, the Town, by counsel, filed a letter stating that it had no objection to any of Staff's recommendations.

DISCUSSION

The project will be approved, as modified by removal of the ultra-violet disinfection unit. Mr. Mashayekhi has advised the undersigned that the ultra-violet technology could be added later if further disinfection is needed. He also advised the undersigned that the project includes abandoning the Layne Street pump station and replacing the Midway Drive pump station, as represented by the Town in Grimm v. New Haven Mun. Water Dept., Case No. 10-0232-WS-C.

FINDINGS OF FACT

1. On June 14, 2010, the Town of New Haven filed with the Public Service Commission an application for a certificate of convenience and necessity to construct additions and improvements to its existing sewerage system, and for approval of the financing thereof. (See application).

2. The Town published a Notice of Filing on June 24, 2010, in the Point Pleasant Register, published in Mason County, and no protest was filed. (See filing of July 7, 2010; Commission case file).

3. The planned improvements at the Town's wastewater treatment plant include installing a second pump station, installing an automatic bar screen, replacing the existing aeration blowers, adding variable frequency drives, installing diffused aeration for the sludge holding tank, replacing the electrical controls and motor control center, supplementing the chlorination/dechlorination process with an ultra-violet disinfection unit, repairing the baffle walls in the existing chlorine contact tank, and providing an automatic transfer switch for the emergency generator. Also included in the project is replacing various services lines along Layne Street and Midway Drive and installing SCADA software for the existing pump stations. (See application; Final Joint Staff Memorandum filed September 13, 2010).

4. The project is needed for a number of reasons, including that the sewer pipe in the Layne Street/Midway Drive area is deteriorated; 200 feet of aerial sewer line in the Broad Creek area is in danger of breaking; periodic loss of power at the pump stations has caused sewage backups; and the equipment at the twenty-three-year-old treatment plant needs to be replaced and updated. (See Final Joint Staff Memorandum).

5. Staff recommended that the project be approved, with the exception of the installation of the ultra-violet disinfection technology. Staff explained that, as part of the project, internal damaged walls of the chlorination/dechlorination unit will be repaired and Staff opined that, once repaired, the unit will be sufficient to meet the Town's NPDES permit's disinfection requirements. (See Final Joint Staff Memorandum).

6. The project will not require any modification of the Town's existing WVDEP NPDES Permit, No. 0032531. (See Final Joint Staff Memorandum).

7. The project was estimated to cost $3,277,500, including a construction cost of $2,431,470, to be financed by a $3,277,500 West Virginia Department of Environmental Protection Clean Water State Revolving Fund loan, payable over thirty years at an annual 0% interest rate and a 0.5% administrative fee. Removal of the installation of the supplemental ultra-violet disinfection technology from the project should reduce the project's cost by $120,000. (See application; Final Joint Staff Memorandum).

8. The costs of the project are reasonable and a sewer rate increase that was passed by ordinance in February and will become effective on July 1, 2011, will provide adequate revenue for the Town's expenses and debt service. (See Final Joint Staff Memorandum).

9. The Town accepted all of Staff's recommendations. (See filing of September 22, 2010).

CONCLUSION OF LAW

Pursuant to W.Va. Code §24-2-11, it is appropriate to grant the application and approve the project, as modified to remove the ultra-violet technology, because it is reasonable and necessary and the Town has not objected to said removal, and to approve the funding, because it is appropriate.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of convenience and necessity filed on June 14, 2010, by the Town of New Haven, as modified to remove from the project ultra-violet disinfection technology, is granted and the project, as so modified, is approved.

IT IS FURTHER ORDERED that the funding for the project, consisting of a $3,277,500 West Virginia Department of Environmental Protection Clean Water State Revolving Fund loan, payable over 30 years at 0% interest and a 0.5% administrative fee, is approved.

IT IS FURTHER ORDERED that, if there is any change in the cost of the project, estimated at $3,277,500 or $3,157,500, after removal of the ultra-violet technology from the project, which affects rates, or in the scope, design or funding of the project, the Town of New Haven file a petition with the Commission for approval of such revisions.

IT IS FURTHER ORDERED that the Town of New Haven comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

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

IT IS FURTHER ORDERED that the Town of New Haven file a copy of the engineer's certified tabulation of bids for each contract within ten (10) days of the opening date.

IT IS FURTHER ORDERED that the Town of New Haven submit a copy of the certificate of substantial completion for each contract as soon as it becomes available.

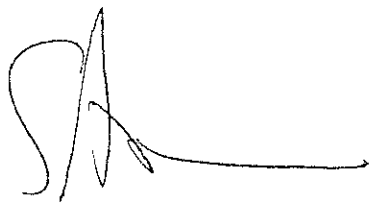
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

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

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

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

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



Sunya Anderson
Administrative Law Judge

SA:s
100875a.wpd

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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Charleston, WV 25326-1588
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www.steptoe-johnson.com

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(304) 353-8180 – Facsimile
todd.swanson@steptoe-johnson.com
WVSB No. 10509

July 7, 2010

RECEIVED
10 JUL -7 PM 2:31
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

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

Re: **CASE NO.: 10-0875-S-CN**
TOWN OF NEW HAVEN,
MASON COUNTY, WEST VIRGINIA
Application for a certificate of convenience and necessity to construct additions and improvements to its existing sewerage system; and for approval of the financing thereof

Dear Ms. Squire:

Enclosed herein for filing on behalf of the Town of New Haven, please find the original and twelve (12) copies of an Affidavit of Publication evidencing publication of the Notice of Filing in the *Point Pleasant Register* on June 24, 2010.

A copy of this filing has been served upon all parties to this proceeding, as evidenced by the attached Certificate of Service.

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

Sincerely,

Todd M. Swanson

TMS
Enclosure
cc: Honorable Ronnie Zerkle (w/ enclosure)
Ronald E. Robertson, Jr., Esq. (w/ enclosure)
John Ford, CPA (w/o enclosure)
Jack Ramsey, P.E. (w/o enclosure)

658600.00001

Point Pleasant Register

Point Pleasant, WV

PROOF OF PUBLICATION

The State of West Virginia,

Mason County, ss:

I, Pam Caldwell, Advertising Director,

Point Pleasant Register

Make Solemn Oath that notice, of which

the attached is a true copy, was published

in the Point Pleasant Register, a newspaper

published in the City of Point Pleasant, said County

of Mason, and of general circulation in said

County 1 time(s), beginning on

6-24-10 and ending on 6-24-10

Pam Caldwell

Gallipolis, OH June 25, 2010

Tammy S. Crihfield

Sworn to and subscribed before me this day.

Printers Fee $ 331.70

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
TAMMY S. CRIHFIELD
Point Pleasant Register
200 Main St., Pt. Pleasant, WV 25550
My commission expires July 4, 2011

Public Notice

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 14th day of June 2010.

CASE NO. 10-0875-S-CN

TOWN OF NEW HAVEN.

Application for a certificate of convenience and necessity to construct additions and improvements to its existing sewerage system, and for approval of the financing thereof.

NOTICE OF FILING

On June 14, 2010, the Town of New Haven (Town) filed an application, duly verified, for a Certificate to construct certain additions and improvements to its existing sewerage system in Mason County.

The Town proposes to construct certain additions, betterments and improvements to its existing wastewater treatment plant (WWTP) pump station, installing a second pump station at the WWTP, installing an automatic bar screen, replacing the existing aeration blowers and adding variable frequency drives, installing diffused aeration for the sludge holding tank, replacing the electrical controls and motor control center, supplementing the chlorination/dechlorination process with an ultra-violet disinfection unit, repairing the baffle walls in the existing chlorine contact tank, providing an automatic transfer switch for the emergency generator, replacing various service lines along Layne Street and Midway Drive (which includes an aerial creek crossing), installing SCADA for the existing pump stations, and appurtenances relating thereto (the Project).

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

The Town estimates that the Project will cost approximately $3,277,500. It is proposed that the construction be financed by a loan from the Clean Water State Revolving Fund in the amount of $3,277,500.

The Town anticipates charging the following sewerage rates for its customers:

SCHEDULE I

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for residential, commercial and industrial service.

PHASE I EFFECTIVE FOR SERVICE RENDERED FROM JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

RATE

First 2,000 gallons used per month $7.85 per 1,000 gallons

Next 3,000 gallons used per month $7.46 per 1,000 gallons

Next 5,000 gallons used per month $7.03 per 1,000 gallons

Next 10,000 gallons used per month $6.84 per 1,000 gallons

Next 30,000 gallons used per month $6.76 per 1,000 gallons

All Over 50,000 gallons used per month $6.45 per 1,000 gallons

MINIMUM CHARGE

The above schedule is subject to a minimum monthly charge of $15.70.

No bill will be rendered for less than the following amounts, according to the size of the meter.

5/8 inch	$15.70
3/4 inch	$23.55
1 inch	$39.25
1 1/4 inch	$57.30
1 1/2 inch	$78.50
2 inch	$125.60
3 inch	$235.50
4 inch	$392.50
6 inch	$785.00
8 inch	$1,256.00

PHASE II EFFECTIVE FOR SERVICE RENDERED FROM JANUARY 1, 2011 THROUGH JUNE 30, 2011

RATE

First 2,000 gallons used per month $8.87 per 1,000 gallons

Next 3,000 gallons used per month $8.43 per 1,000 gallons

Next 5,000 gallons used per month $7.94 per 1,000 gallons

Next 10,000 gallons used per month $7.73 per 1,000 gallons

Next 30,000 gallons used per month $7.64 per 1,000 gallons

All Over 50,000 gallons used per month $7.27 per 1,000 gallons

MINIMUM CHARGE

The above schedule is subject to a minimum monthly charge of $17.74.

No bill will be rendered for less than the following amounts, according to the size of the meter.

5/8 inch	$17.74
3/4 inch	$26.61
1 inch	$44.35
1 1/4 inch	$64.75
1 1/2 inch	$88.70
2 inch	$141.92
3 inch	$266.10
4 inch	$443.50
6 inch	$887.00
8 inch	$1,419.20

PHASE III EFFECTIVE FOR SERVICE RENDERED ON JULY 1, 2011

RATE

First 2,000 gallons used per month $9.76 per 1,000 gallons

Next 3,000 gallons used per month $9.26 per 1,000 gallons

Next 5,000 gallons used per month $8.74 per 1,000 gallons

Next 10,000 gallons used per month $8.51 per 1,000 gallons

Next 30,000 gallons used per month $8.41 per 1,000 gallons

All Over 50,000 gallons used per month $7.87 per 1,000 gallons

MINIMUM CHARGE

The above schedule is subject to a minimum monthly charge of $19.52.

No bill will be rendered for less than the following amounts, according to the size of the meter.

5/8 inch	$19.52
3/4 inch	$29.28
1 inch	$48.80
1 1/4 inch	$71.25
1 1/2 inch	$97.50
2 inch	$156.16
3 inch	$292.80
4 inch	$488.00
6 inch	$976.00
8 inch	$1,561.00

SCHEDULE II

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within 20 days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

RESALE RATE

Three dollars and thirty-four cents ($3.34) per 1,000 gallons of sewage processed.

TAP FEE

Two hundred fifty dollars ($250.00)

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Town of New Haven shall be the Town's charge to the customer for such a bad check, but such charge to the customer shall not exceed ten dollars ($10.00)

INCREMENTAL COST FOR WASTEWATER TREATED

Thirty-five cents ($0.35) per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

Resale customers of the Town include the Town of Hartford.

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 among the various classes of customers are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing.

Anyone desiring to protest or intervene should file a written protest or notice of intervention within thirty (30) days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

In the absence of substantial protest received within thirty (30) days of this publication, the Commission may waive formal hearing and grant the application based on the Commission's review of the evidence with the application.

6/24

West Virginia Infrastructure & Jobs Development Council

Public Members:
Kenneth Lowe, Jr.
Shepherdstown
Dwight Calhoun
Petersburg
Dave McComas
Prichard
Ron Justice
Morgantown

300 Summers Street, Suite 9
Charleston, West Virginia 253
Telephone: (304) 558-46
Facsimile: (304) 558-46

Jefferson E. Brady, P
Executive Direct

Jefferson.Brady@verizon.n

January 10, 2008

The Honorable Stephen Smith
Mayor, Town of New Haven
P.O. Box 217
New Haven, West Virginia 25265

Re: Town of New Haven
Sewer Project 2007S-1008

Dear Mayor Smith:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Town of New Haven's (the "Town") preliminary application regarding its proposed project to replace GSP and two pump stations, install GSP, a SCADA system, automatic bar screen and a UV unit, make modifications to the existing WWTP pump stations, aeration blowers, sludge holding tank, chlorine contact chamber, motor control center and other necessary appurtenances (the "Project").

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

Upon consideration of the preliminary application, the Council recommends that the Town pursue a $2,645,000 Clean Water State Revolving Fund loan to fund this project. Please contact the West Virginia Department of Environmental Protection office at (304) 926-0495 for specific information on the steps the Town needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from this agency.**

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

Sincerely,

Kenneth Lowe, Jr.

Enclosure
cc: Mike Johnson, DEP (w/o enclosure)
Region II Planning & Development Council
Jack Ramsey, Triad Engineering, Inc.

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 16th day of December, 2010, 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 Town of New Haven (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, in the principal amount of $3,277,500, numbered BR-1, issued as a single, fully registered Bond, and dated December 16, 2010 (the "Series 2010 B Bonds").

2. At the time of such receipt, the Series 2010 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 2010 B Bonds, of the sum of $350,512, being a portion of the principal amount of the Series 2010 B Bonds. The balance of the principal amount of the Series 2010 B Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

TOWN OF NEW HAVEN

By: _____
Its: Mayor

11.19.10
658600.00002

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On this 16th day of December, 2010, there are delivered to you herewith:

(1) Bond No. BR-1, constituting the entire original issue of the Town of New Haven Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), in the principal amount of $3,277,500, dated December 16, 2010 (the "Bonds"), executed by the Mayor and the Recorder of the Town of New Haven (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on October 26, 2010, and a Supplemental Resolution duly adopted by the Issuer on November 23, 2010 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the Bond Purchase Agreement for the Series 2010 B Bonds, dated December 16, 2010, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "Bond Purchase Agreement"); and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of $350,512, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

TOWN OF NEW HAVEN

By: _____
Its: Mayor

11.19.10
658600.00002

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF NEW HAVEN
SEWER REVENUE BONDS, SERIES 2010 B
(WEST VIRGINIA SRF PROGRAM)

No. BR-1 $3,277,500

KNOW ALL MEN BY THESE PRESENTS: The 16th day of December, 2010, that the TOWN OF NEW HAVEN, a municipal corporation and political subdivision of the State of West Virginia in Mason County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of THREE MILLION TWO HUNDRED SEVENTY SEVEN THOUSAND FIVE HUNDRED DOLLARS ($3,277,500), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2012 to an including March 1, 2042 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) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2012, 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 December 16, 2010.

This Bond is issued (i) to pay the Prior Notes; (ii) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the public sewerage system of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The 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 October 26, 2010, and a Supplemental Resolution duly adopted by the Issuer on November 23, 2010 (collectively,

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

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT BEING THE ISSUER'S (I) SUPPLEMENTAL SUBORDINATE SEWER REVENUE BONDS, SERIES 1982 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 27, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $89,500 (THE "SERIES 1982 B BONDS"); AND (II) SEWER REFUNDING REVENUE BONDS, SERIES 2010 A, DATED NOVEMBER 9 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $370,000 (THE "SERIES 2010 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System on a parity with the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2010 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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 2010 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, Prior Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds; provided however, that so long as there exists in the Series 2010 B 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, an amount at least equal to the requirement therefore, 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 and interest on of this Bond.

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF NEW HAVEN 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 2010 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 16, 2010.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$350,512	December 16, 2010	(21)	$	
(2)	$		(22)	$	
(3)	$		(23)	$	
(4)	$		(24)	$	
(5)	$		(25)	$	
(6)	$		(26)	$	
(7)	$		(27)	$	
(8)	$		(28)	$	
(9)	$		(29)	$	
(10)	$		(30)	$	
(11)	$		(31)	$	
(12)	$		(32)	$	
(13)	$		(33)	$	
(14)	$		(34)	$	
(15)	$		(35)	$	
(16)	$		(36)	$	
(17)	$		(37)	$	
(18)	$		(38)	$	
(19)	$		(39)	$	
(20)	$		(40)	$	

TOTAL $

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

Town of New Haven

CW SRF

0% Interest Rate, 0.5% Administrative Fee

Dated Date	12/16/2010	
Delivery Date	12/16/2010	Series B Bonds

Period Ending	Principal	Interest	Debt Service
6/1/2012	27,313		27,313
9/1/2012	27,313		27,313
12/1/2012	27,313		27,313
3/1/2013	27,313		27,313
6/1/2013	27,313		27,313
9/1/2013	27,313		27,313
12/1/2013	27,313		27,313
3/1/2014	27,313		27,313
6/1/2014	27,313		27,313
9/1/2014	27,313		27,313
12/1/2014	27,313		27,313
3/1/2015	27,313		27,313
6/1/2015	27,313		27,313
9/1/2015	27,313		27,313
12/1/2015	27,313		27,313
3/1/2016	27,313		27,313
6/1/2016	27,313		27,313
9/1/2016	27,313		27,313
12/1/2016	27,313		27,313
3/1/2017	27,313		27,313
6/1/2017	27,313		27,313
9/1/2017	27,313		27,313
12/1/2017	27,313		27,313
3/1/2018	27,313		27,313
6/1/2018	27,313		27,313
9/1/2018	27,313		27,313
12/1/2018	27,313		27,313
3/1/2019	27,313		27,313
6/1/2019	27,313		27,313
9/1/2019	27,313		27,313
12/1/2019	27,313		27,313
3/1/2020	27,313		27,313
6/1/2020	27,313		27,313
9/1/2020	27,313		27,313
12/1/2020	27,313		27,313
3/1/2021	27,313		27,313
6/1/2021	27,313		27,313
9/1/2021	27,313		27,313
12/1/2021	27,313		27,313
3/1/2022	27,313		

BOND DEBT SERVICE

Town of New Haven

CW SRF

0% Interest Rate, 0.5% Administrative Fee

Period Ending	Principal	Interest	Debt Service
6/1/2022	27,313		27,313
9/1/2022	27,313		27,313
12/1/2022	27,313		27,313
3/1/2023	27,313		27,313
6/1/2023	27,313		27,313
9/1/2023	27,313		27,313
12/1/2023	27,313		27,313
3/1/2024	27,313		27,313
6/1/2024	27,313		27,313
9/1/2024	27,313		27,313
12/1/2024	27,313		27,313
3/1/2025	27,313		27,313
6/1/2025	27,313		27,313
9/1/2025	27,313		27,313
12/1/2025	27,313		27,313
3/1/2026	27,313		27,313
6/1/2026	27,313		27,313
9/1/2026	27,313		27,313
12/1/2026	27,313		27,313
3/1/2027	27,312		27,312
6/1/2027	27,312		27,312
9/1/2027	27,312		27,312
12/1/2027	27,312		27,312
3/1/2028	27,312		27,312
6/1/2028	27,312		27,312
9/1/2028	27,312		27,312
12/1/2028	27,312		27,312
3/1/2029	27,312		27,312
6/1/2029	27,312		27,312
9/1/2029	27,312		27,312
12/1/2029	27,312		27,312
3/1/2030	27,312		27,312
6/1/2030	27,312		27,312
9/1/2030	27,312		27,312
12/1/2030	27,312		27,312
3/1/2031	27,312		27,312
6/1/2031	27,312		27,312
9/1/2031	27,312		27,312
12/1/2031	27,312		27,312
3/1/2032	27,312		27,312
6/1/2032	27,312		27,312
9/1/2032	27,312		27,312
12/1/2032	27,312		27,312

BOND DEBT SERVICE

Town of New Haven

CW SRF

0% Interest Rate, 0.5% Administrative Fee

Period Ending	Principal		Interest	Debt Service
3/1/2033	27,312			27,312
6/1/2033	27,312			27,312
9/1/2033	27,312			27,312
12/1/2033	27,312			27,312
3/1/2034	27,312			27,312
6/1/2034	27,312			27,312
9/1/2034	27,312			27,312
12/1/2034	27,312			27,312
3/1/2035	27,312			27,312
6/1/2035	27,312			27,312
9/1/2035	27,312			27,312
12/1/2035	27,312			27,312
3/1/2036	27,312			27,312
6/1/2036	27,312			27,312
9/1/2036	27,312			27,312
12/1/2036	27,312			27,312
3/1/2037	27,312			27,312
6/1/2037	27,312			27,312
9/1/2037	27,312			27,312
12/1/2037	27,312			27,312
3/1/2038	27,312			27,312
6/1/2038	27,312			27,312
9/1/2038	27,312			27,312
12/1/2038	27,312			27,312
3/1/2039	27,312			27,312
6/1/2039	27,312			27,312
9/1/2039	27,312			27,312
12/1/2039	27,312			27,312
3/1/2040	27,312			27,312
6/1/2040	27,312			27,312
9/1/2040	27,312			27,312
12/1/2040	27,312			27,312
3/1/2041	27,312			27,312
6/1/2041	27,312			27,312
9/1/2041	27,312			27,312
12/1/2041	27,312			27,312
3/1/2042	27,313	**		27,313
	3,277,500			**3,277,500**

** Plus a Quarterly administrative fee of $2,065.50 for a total Administrative Expense of $247,860.00

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

December 16, 2010

Town of New Haven
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

Town of New Haven
New Haven, 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 Town of New Haven (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its $3,277,500 Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), 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) a Bond Purchase Agreement dated December 16, 2010, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are issued in the principal amount of $3,277,500, in the form of one bond, bearing no interest, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning June 1, 2012, to and including March 1, 2042 all as set forth in "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Series 2010 B Bonds are subject to an SRF Administrative Fee of 0.5% of the principal amount of the Series 2010 B Bonds as set forth in the Schedule Y attached to the Bond Purchase Agreement.

The Bonds are issued for the purposes of (i) paying the Issuer's Prior Notes; (ii) paying the costs of acquisition and construction of certain additions, betterments and improvements to the public sewerage system of the Issuer (the "Project"); and (iii) 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 October 26, 2010, as supplemented by the Supplemental Resolution duly adopted by the Issuer on November 23, 2010 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase Agreement has been 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

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Huntington, WV • Columbus, OH

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and the Bond Purchase 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 Bond Purchase 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 Bond Purchase 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 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 substantially in the form of those set forth in Section 4.1 and Exhibits of the Bond Purchase 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) Supplemental Subordinate Sewer Revenue Bonds, Series 1982 B (West Virginia Water Development Authority), dated October 27, 1982, issued in the original aggregate principal amount of $89,500 (the "Series 1982 B Bonds"); and (ii) Sewer Refunding Revenue Bonds, Series 2010 A, dated November 9, 2010, issued in the original aggregate principal amount of $370,000 (the "Series 2010 A Bonds"), (collectively, the "Prior Bonds"), all in accordance with the terms of the Bond Legislation.

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. With proceeds from the Series 2010 B Bonds, the Prior Note has been paid in full, and the covenants, agreements and other obligations of the Issuer to the owners of such Note has been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of payment from the owners of such Note that they have received payment for the entire outstanding principal of such Note and all interest accrued thereon on the date hereof and that such Note has been paid in full.

8. 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

11.19.10
658600.00002

SHAW & TATTERSON, L. C.

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R. Craig Tatterson
R. Michael Shaw, Jr.

Phone: (304) 675-2669
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December 16, 2010

Town of New Haven
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

Town of New Haven
New Haven, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel for the Town of New Haven in Mason County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a Bond Purchase Agreement for the Bonds dated December 16, 2010, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the " Bond Purchase Agreement') a Bond Ordinance duly enacted by the Issuer on October 26, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 23,2010 (collectively, the " Bond Legislation") a Petition of the Sanitary Board , 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 he Bond Legislation and the Bond Purchase used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, Recorder and members of the council of the Issuer and the Sanitary Board have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized t act on behalf of the Issuer in their respective capacities. The Sanitary Board has been duly created by the issuer and is validly existing as a sanitary board under the Act.

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

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

4. The execution and delivery of the Bonds and the bond Purchase Agreement and the Consummation of the transactions contemplated by the Bonds, the Bond Purchase Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, Resolution, agreement or other instrument to which the Issuer is a

party or by which the Issuer or its Properties are bounded 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 West Virginia Department of Environmental Protection, West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges.

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

7. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug-free workplace plan and the contracts contain language that complies with the Drug Free Workplace Act, Article ID, Chapter 21 of the West Virginia Code, I have also ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the submitted bids, the surety bonds or other evidence of insurance coverage in connection with the bids, we are of the opinion that such surety bonds and policies (1) are in compliance with the project bidding specifications and requirements; (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 Bond Purchase Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Sincerely,

Craig Tatterson

STEPTOE & JOHNSON PLLC
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Writer's Contact Information

December 16, 2010

Town of New Haven
Sewer Revenue Bonds Series 2010 B
(West Virginia SRF Program)

Town of New Haven
New Haven, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We are special counsel to the Town of New Haven in Mason County, West Virginia (the "Issuer"). As such counsel, we have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above-referenced bonds, and the acquisition and construction of the Project. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

We are of the opinion that:

The Issuer has received all orders, certificates and authorizations from the Public Service Commission of West Virginia necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the implementation of rates and charges, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia entered on September 23, 2010 which became Final Order on October 13, 2010 in Case No. 10-0875-S-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Order has expired prior to the date hereof.

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

Very truly yours,

STEPTOE & JOHNSON, PLLC

11.19.10
658600.00002

CH5411059

10B

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December 16, 2010

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

RE: Town of New Haven—Sewer Project
Final Title Opinion

Ladies and Gentlemen:

We are counsel to the Town of New Haven (the "Issuer") in connection with a proposed project to construct a Sanitary Sewer Pump Station (the "Project"). We provide this final title opinion to satisfy the requirements of the West Virginia Division of Environmental Protection for the Project. Please be advised of the following:

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

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

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

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

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

Yours very truly,

R. Craig Tatterson

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR and RECORDER of the Town of New Haven in Mason County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the ISSUER, hereby certify this 16th day of December, 2010, in connection with the Issuer's Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated the date hereof (the "Bonds" or the "Series 2010 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 October 26, 2010 and the Supplemental Resolution duly adopted November 23, 2010 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Net Revenues or any grants, or in any way contesting or affecting the validity of the Bonds, or any

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

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

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

Upon payment of the Prior Notes, the Issuer will have the following outstanding obligations which will rank on a parity with the Series 2010 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's (i) Supplemental Subordinate Sewer Revenue Bonds, Series 1982 B (West Virginia Water Development Authority), dated October 27, 1982, issued in the original aggregate principal amount of $89,500 (the "Series 1982 B Bonds"); and (ii) Sewer Refunding Revenue Bonds, Series 2010 A, dated November 9, 2010, issued in the original aggregate principal amount of $370,000 (the "Series 2010 A Bonds") (collectively, the "Prior Bonds").

The Series 2010 B Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2010 B Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the 1982 B Bonds are met, and (ii) the written consent of the Holders of the Series 1982 B Bonds, to the issuance of the Series 2010 B Bonds on a parity with the Series 1982 B Bonds. The Series 2010 A Bonds do not require consent. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Ordinances.

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

Bond Ordinance

Supplemental Resolution

Bond Purchase Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Ordinance Creating Sanitary Board and Oaths of Members

Petition of Sanitary Board

Sewer Rate Ordinance

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

Minutes on Adoption and Enactment of Sewer Rate Ordinance

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

Minutes on Adoption and Enactment of Bond Ordinance and Supplemental Resolution

NPDES Permit

Evidence of Insurance

Prior Ordinance

Consent of WDA

Receipt and Release of Prior Notes

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "Town of New Haven." The Issuer is a municipal corporation in Mason County and presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor, Recorder and 5 councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Ronnie Zerkle, Mayor	July 1, 2010	November 30, 2010
George Gibbs, Mayor	December 1, 2010	June 30, 2010

April Lloyd, Recorder	July 1, 2010	June 30, 2012
Sarah Gibbs, Councilmember	July 1, 2010	June 30, 2012
James H. Elias, Councilmember	July 1, 2010	June 30, 2012
Jeffrey Russell, Councilmember	July 1, 2010	June 30, 2012
Frances Taylor, Councilmember	July 1, 2010	June 30, 2012
Dorothy Roush, Councilmember	July 1, 2010	June 30, 2012

The duly elected or appointed members of the Sanitary Board for 2010 are as follows:

George Gibbs, Chairman
Roger Winebrenner
John Tompkins
Ralph Roush, P.E.

The duly appointed and acting Counsel to the Issuer is Craig Tatterson, Esquire and Special PSC Counsel is Steptoe & Johnson PLLC, Charleston, West Virginia.

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

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

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

10. BOND PURCHASE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Bond Purchase Agreement are true and correct in all

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

11. 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 Bond Purchase Agreement. All insurance for the System required by the Bond Legislation and the Bond Purchase Agreement are in full force and effect.

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

13. RATES: The Issuer has duly enacted a sewer rate ordinance on February 23, 2010, setting rates and charges for the services of the System. The time for appeal of such sewer rate ordinance has expired prior to the date hereof without any appeal, and such rates are currently effective.

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

15. BOND PROCEEDS: On the date hereof, the Issuer received $350,512 from the Authority and the DEP, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

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 *Point Pleasant Register*, a qualified newspaper published and of general circulation in the Town of New Haven, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of Governing Body on the 26th day of October, 2010, at 7:00 pm, at the Town 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 ORDERS: The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered on September 23, 2010, which became Final Order on October 13, 2010 in Case No. 10-0875-S-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. The Order remains in full force and effect.

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

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

20. 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.

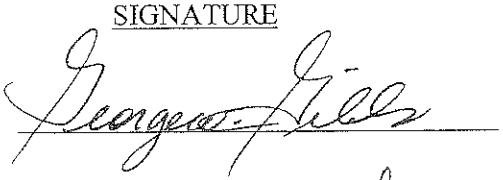
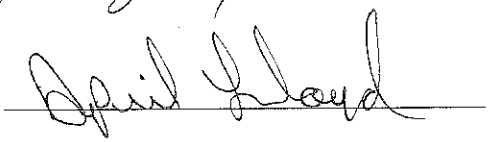
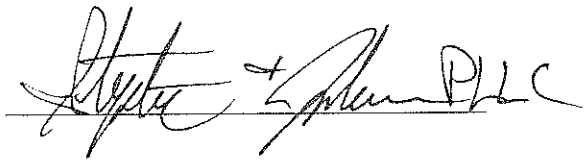
21. CLEAN WATER ACT: The Project as described in the Bond Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

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 Town of New Haven on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
	Recorder
_____	Counsel to the Issuer
	Special PSC Counsel

11.19.10
658600.00002

WITNESS our signatures and the official seal of the Town of New Haven on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	Recorder
_____	Counsel to the Issuer
_____	Special PSC Counsel

11.19.10
658600.00002

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Jack Ramsey, Registered Professional Engineer, West Virginia License No. 014749, of Triad Engineering, Inc., St. Albans, West Virginia, hereby certify this 16th day of December, 2010, as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the existing sewerage system (the "System") of the Town of New Haven (the "Issuer"), to be constructed in Mason County, West Virginia, which acquisition and construction are being permanently financed by the proceeds of the above-captioned bonds (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 October 26, 2010, as supplemented by the Supplemental Resolution of the Issuer adopted November 23, 2010 (collectively, the "Bond Legislation") and the Bond Purchase Agreement for the Series 2010 B Bonds, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), dated December 16, 2010 (collectively, the "Bond Purchase Agreement").

2. The Bonds are being issued (i) to pay the Issuer's Prior Notes; (ii) to pay the costs of acquisition and construction of the Project; and (iii) 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 32 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule A attached hereto as Exhibit A and Craig Tatterson, Esquire, 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 bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (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 bids 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) in reliance upon the certificate of the Issuer's certified public accountant, John L. Ford, of even date herewith, as of the effective date thereof, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase Agreement; (xi) 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 (xii) attached hereto as Exhibit A is the final amended "Schedule A - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project has been designed to, and the construction contracts provide for, water service for up to 7 new customers in the Layne Street area.

[Remainder of Page Intentionally Blank]

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

TRIAD ENGINEERING, INC.

(SEAL)

Jack Ramsey, P.E.
West Virginia License No. 014749

11.19.10
658600.00002

SCHEDULE A

NAME OF GOVERNMENT AGENCY: Town of New Haven

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

A. Cost of Project

1 Construction			
A. WWTP Upgrade	$ 1,118,000		
B. Collection System Upgrade	$ 1,148,821		
C. Cedar Street - Change Order #1	$ 260,338		
D. Equipment Purchases	$ 53,461		
2 Technical Services	$ 427,430		
3 Legal & Fiscal	$ 25,000		
4 Accounting	$ 15,000		
5 Site & Other Lands	$ -		
6 Fac. Plan/Design or Other Loan Repayment (Specify Type Bank Loan for previous equipment)	$ 75,050		
7 Permits	$ 2,500		
8 Contingency	$ 126,400		
9 Total of Lines 1 though 8			$ 3,252,000

B. Sources of Funds

10 Federal Grants:		$ -	
(Specify Sources)		$ -	
11 State Grants:		$ -	
(Specify Sources)		$ -	
12 Other Grants:		$ -	
13 Any Other Source		$ -	
(Specify)		$ -	
		$ -	
14 Total of Lines 10 Thourgh 13			$ -
15 Net Proceeds Required from Bond Issue (Line 9 minus Line 14)			$ 3,252,000

C. Cost of Financing

16 Capitalized Interest (Construction Period plus six months)	$ -	
17 Funded Reserve Account	$ -	
18 Other Costs:	$ -	
Bond Counsel	$ 25,000	
Registrar Fee	$ 500	
19 Total of Cost of Financing (Line 15 plus Line 19)		$ 25,500
20 Size of Bond Issue (Line 15 plus Line 19)		$ 3,277,500

Georgene Gibbs 12/01/10
Signature of Applicant Date

Josh E. Ramsey 12/6/10
Signature of Consulting Engineer Date

JOHN L. FORD
549 Sparkleberry Drive
Murrell's Inlet, SC 29576
(843-503-2821)

December 16, 2010

Town of New Haven
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

Town of New Haven
New Haven, 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 Town of New Haven (the "Issuer"), enacted February 23, 2010 and projected operation and maintenance expenses and anticipated customer usage as furnished to me by Triad Engineering, the Consulting Engineer to the Issuer, it is my 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 2010 B (West Virginia SRF Program) in the original aggregate principal amount of $3,277,500 (the "Bonds"), and all other obligations secured by a lien on or payable from such revenues, including the Issuer's (i) Supplemental Subordinate Sewer Revenue Bonds, Series 1982 B (West Virginia Water Development Authority), dated October 27, 1982, issued in the original aggregate principal amount of $89,500 (the "Series 1982 B Bonds"); and (ii) Sewer Refunding Revenue Bonds, Series 2010 A, dated November 9, 2010, issued in the original aggregate principal amount of $370,000 (the "Series 2010 A Bonds") (collectively, the "Prior Bonds").

It is my further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2010 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2010 A Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Series 2010 A Bonds and the Prior Bonds.

Very truly yours,

John L. Ford

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the Town of New Haven in Mason County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $3,277,500 Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, dated December 16, 2010 (the "Bonds" or the "Series 2010 B Bonds"), on this 16th day of December, 2010, hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on October 26, 2010, as supplemented by Supplemental Resolution duly adopted by the Issuer on November 23, 2010 (the "Bond Legislation"), 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 16, 2010, the date on which the Bonds are being physically delivered in exchange for an initial advance of $350,512, being a portion of the principal amount of the Series 2010 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 Legislation pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Department of Environmental Protection (the "DEP"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2010 B Bonds were sold on December 16, 2010, to the Authority, pursuant to a Bond Purchase Agreement dated December 16, 2010, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of $3,277,500 (100% of par), at which time, the Issuer received $350,512 from the Authority and the DEP, being the first advance of the principal amount of the Series 2010 B Bonds. No accrued interest has been or will be paid on the Series 2010 B Bonds. The balance of the principal amount of the Series 2010 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2010 B Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the Issuer's Prior Notes; (ii) paying the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2010 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 February 1, 2012. The acquisition and construction of the Project is expected to be completed by August 1, 2011.

8. The total cost of the Project is estimated at $3,277,500. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2010 B Bonds	$3,277,500.00
Total Sources	$3,277,500.00

USES

Costs of Acquisition and Construction of the Project	$3,176,950.27
Payment of Prior Notes	$75,049.73
Costs of Issuance	$ 25,500.00
Total Uses	$3,277,500.00

9. Pursuant to Article V of the Bond Legislation, the following special funds or accounts have been created or continued relative to the Series 2010 B Bonds:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2010 B Bonds Construction Trust Fund;

(4) Series 2010 B Bonds Sinking Fund; and

(5) Series 2010 B Bonds Reserve Account.

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

(1) Series 2010 B Bonds proceeds in the amount of $-0-will be deposited in the Series 2010 B Bonds Sinking Fund to cover capitalized interest.

(2) Series 2010 B Bonds proceeds in the amount of $-0- will be deposited in the Series 2010 B Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2010 B Bonds will be deposited in the Series 2010 B Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2010 B Bonds and related costs.

11. Monies held in the Series 2010 B Bonds Sinking Fund will be used solely to pay principal of and interest on, if any, the Series 2010 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 2010 B Bonds Sinking Fund and Series 2010 B Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2010 B 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 Legislation.

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 7 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 2010 B Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 13 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 Legislation authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain public purpose bonds.

23. The Issuer has either (a) funded the Series 2010 B Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2010 B Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2010 B Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2010 B Bonds Reserve Account and the Series 2010 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 the day and year first above written.

TOWN OF NEW HAVEN

By: _____
Its: Mayor

11.19.10
658600.00002

TOWN OF NEW HAVEN

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the Town of New Haven 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 Town 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 3 business days 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 Town Hall not less than two business days before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 21st day of September, 2010.

Ronald Zirkle
Mayor

David Lloyd
Recorder

Special Term 2nd day of December 1935

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

TO

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

ORDER:

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

CERTIFICATE OF INCORPORATION

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

boundary, to-wit:

Beginning at a point located on the South bank of the Ohio River and the West Bank of Big Broad Creek at the confluence of the two streams; thence South 9 degrees 59' West for a distance of 1845.09 feet to a point; thence South 15 degrees and 22' East for a distance of 312.81 feet to a point; thence South 32 degrees and 20' East for a distance of 165.1 feet to a point; thence South 19 degrees and 16' West for a distance of 617.5 to a point; thence North 78 degrees and 57' West for a distance of 524.9 feet to a point; thence South 19 degrees and 26' West for a distance of 68.8 feet to a point; thence North 87 degrees and 45' West for a distance of 102.9 feet to a point; thence South 17 degrees and 15' West for a distance of 61.05 feet to a point; thence South 82 degrees and .06' West for a distance of 359.75 feet to a point; thence North 79 degrees and 44' West for a distance of 867.55 feet to a point; thence North 74 degrees and 40' West for a distance of 976.85 feet to a point; thence North 49 degrees and 50' West for a distance of 1464.6 feet to a point; thence North 27 degrees and 27' East for a distance of 644.45 feet to a point; thence North 28 degrees and 56' East for a distance of 213.3 feet to a point; thence on the same bearing North 28 degrees and 56' East for a distance of 1156 feet, more or less, across the Ohio River to an intersection of the State line between the State of West Virginia and the State of Ohio; thence along said State line in a Northeasterly direction for a distance of 3160 feet, more or less, to a point, said point being the intersection of an Easterly boundary of said Corporation with said State line between Ohio and West Virginia, said corporate line having a bearing of South 9 degrees and 59' West; thence South 9 degrees and 59' West along said line, for a distance of 768 feet, more or less, to the point of beginning, containing in all approximately 0.414 square miles.

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

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

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

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

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

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

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

Miles S. Epling
Circuit Clerk of Mason County,
West Virginia

STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN

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

SIGNED

Subscribed and sworn to before me this 01 day of December, 2010.

Recorder/Clerk

Witnessed By: Sarah Gibbs
Council Person

STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN

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

Ronald Lerkle
SIGNED

Subscribed and sworn to before me this 22nd day of June, 2010.

Janet May
Recorder/Clerk

Witnessed By: Sarah Gibbs
Council Person

658600.00003

STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN

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

Tim Elias
SIGNED

Subscribed and sworn to before me this 22nd day of June, 20 10.

Ronald Zerbe
Mayor

Witnessed By: Dorothy Roush

Title: City Council

STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN

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

Sarah Gibbs
SIGNED

Subscribed and sworn to before me this 22nd day of June. 2010.

Ronald Yates
Mayor

Witnessed By: Frances Yates

Title: Council Person

STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN

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

April Lloyd
SIGNED

Subscribed and sworn to before me this 22nd day of June, 2010.

Ronald Zickefoose
Mayor

Witnessed By: Sarah Gibbs

Title: Council Person

STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN

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

Dorothy J Roush
SIGNED

Subscribed and sworn to before me this 22nd day of June, 2010.

Ronald Zerkle
Mayor

Witnessed By: Jim Ellis

Title: Councilman

STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN

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

Jeff Russell
SIGNED

Subscribed and sworn to before me this 2nd day of June, 2010.

Ronald Zuckerman
Mayor

Witnessed By: Sarah Gibbs

Title: Council Person

STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN

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

Frances Taylor
SIGNED

Subscribed and sworn to before me this 22nd day of June, 2010.

Ronald Zickefoose
Mayor

Witnessed By: Sarah Gibbs

Title: Council Person

TOWN OF NEW HAVEN

ORDINANCE CREATING/RATIFYING A SANITARY BOARD
OF THE TOWN OF NEW HAVEN

WHEREAS, the Town of New Haven (the "Town") now contemplates the construction and equipping of the sanitary sewerage system, and future additions, extensions and improvements thereto (the "System"), pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"); and

WHEREAS, the Act requires that a sanitary board be established in connection with the issuance of sewer revenue bonds, as aforesaid, and in connection with the custody, administration, operation and maintenance of such a sewer system by a municipal corporation;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE TOWN COUNCIL OF THE TOWN OF NEW HAVEN AS FOLLOWS:

Section 1. The Council of the Town (the "Council") does hereby create and establish a Sanitary Board (the "Sanitary Board" or "Board"), with all powers and duties as provided in and pursuant to the Act.

Section 2. Composition; Chairman; Appointment of Members. The Sanitary Board shall be composed of the Mayor of the Town, who shall act as Chairman of the Sanitary Board, and two persons appointed by the Council. During the period of construction of the System or any additions thereto, one member must be a registered professional engineer. The engineer member of the Board need not be a resident of said municipality. After the construction of the System has been completed, the engineer may be succeeded by a person not an engineer. The appointees shall originally be appointed for terms of 2 and 3 years respectively, and upon the expiration of each such term and each succeeding term, appointment of a successor shall be made in like manner for a term of 3 years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. No officer or employee of the Town, 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 his public office.

Section 3. Organizational Meetings ; Vice Chairman, Secretary, Treasurer; Official Bonds. As soon as may be practicable following the appointment of a new member of the Sanitary Board, the Board shall hold an organizational meeting and choose a vice chairman from among its members, and a secretary and treasurer, who may be one person and need not be a Board member, and such officers shall hold office at the will of the Board. No bond shall be required of the Board members as such, but the treasurer, whether a member of the Board or not, shall give bond as required under Section 9 hereof.

Section 4. Compensation and Expenses of Board Members. The members of the Sanitary Board shall receive such compensation, if any, for their services, either as a salary or as payments for meetings attended, as the Council may determine, and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. Any such compensation and expenses paid solely from funds derived from the System, but there shall be no liability upon the Town for any compensation or expenses so incurred.

Section 5. Powers, Duties and Limitations.

A. The Sanitary Board shall have the supervision and control of the custody, administration, operation and maintenance of any and all works for the collection, treatment and disposal of sewage, which are now owned or may hereafter be acquired by the Town.

B. 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 the powers granted to such Board by the Act, as the same now exists and may hereafter be amended; but the powers of the Sanitary Board shall be subject to all restrictions and limitations contained in the Act as the same now exists or may hereafter be amended.

C. The Sanitary Board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys and such other personnel 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 the Act shall be paid solely and only from funds provided under the authority of the Act, and the Board shall not exercise or carry out any authority or power given it so as to bind the Board or the Town beyond the extent to which money shall have been or may be provided under the authority of the Act. No contract or agreement with any contractor or contractors for labor and/or material exceeding the sum of $10,000 shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the Board to reject any and all bids.

D. The construction, acquisition, improvement, equipment, custody, operation and maintenance of any such works for the collection, treatment or disposal of sewage and the collection of revenues therefrom for the service rendered thereby shall be under the supervision and control of the Sanitary Board.

E. After the construction, acquisition, installation and completion of such works, the Sanitary Board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the Board may deem expedient if funds therefor be available or made available as provided by the Act, and shall establish rules and regulations for the use and operation of the works and of other sewers and drains connected therewith so far as they may affect the operation of such works, and to do all things necessary or expedient for the successful operation thereof, and the Board shall have in addition hereto any and all powers granted to it by the Act, or which may be granted to it by amendments to the Act, hereafter made, subject to any and all restrictions and limitations therein contained.

Section 6. Duty of Board to Restore Property Damaged by its Activities. All public ways or public works damaged or destroyed by the Sanitary Board in carrying out its authority under this ordinance and the Act shall be restored or repaired by the Board and placed in their original condition, as nearly as practicable, if requested so to do by the proper authorities, out of the funds provided by the Act.

Section 7. Publication of Financial Statement. The Sanitary Board shall prepare a financial statement and cause it to be published as a Class I legal advertisement in compliance with the provisions of Chapter 59, Article 3 of the West Virginia Code of 1931, as amended, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the Board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the

debts of such Board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the Board as soon as practicable after the close of the fiscal year. The statement shall be sworn to by the chairman and secretary and treasurer of the Board.

Section 8. Procedure for Disbursement of Funds. All funds under the supervision of the Sanitary Board shall be disbursed, as disbursements are required, by check drawn upon the proper fund or account, and such checks shall be properly signed by the authorized officer or agent of the Board. All such disbursements shall be approved by the Board.

Section 9. Fidelity Bonds. The Sanitary Board shall require all persons who collect or otherwise handle funds of the Board or the System to furnish a good and proper bond, with a recognized and reputable surety, conditioned upon the faithful performance of their duties and for the proper handling and care of said funds in their hands. Such bond shall be in an amount equal to the sum of money which might at any one time be in the hands of such person or persons.

Section 10. Effective Date. This Ordinance shall take effect immediately following the second reading hereon.

Passed on First Reading: September 28, 2010

Passed on Second Reading: October 12, 2010

By: _____
Mayor

By: _____
Recorder

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

PETITION OF SANITARY BOARD

The Sanitary Board of the Town of New Haven (the "Town") hereby petitions the Council of the Town to enact an ordinance directing that sewer revenue bonds of the Town be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed $4,000,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the sewerage system of the Town, together with all necessary appurtenances, and the costs of issuance and related costs.

SANITARY BOARD OF THE TOWN OF NEW HAVEN

By: _____
Its: Chairman

11.19.10
658600.00002

DRDS New Haven 10A

AN ORDINANCE OF THE TOWN OF NEW HAVEN, WEST VIRGINIA, AMENDING THE SCHEDULE OF RATES AND CHARGES FOR THE SERVICES AND FACILITIES FURNISHED THE CUSTOMERS OF THE SEWER SYSTEM OF THE TOWN OF NEW HAVEN BY INCREASING SAID RATES AND CHARGES BY THE ESTABLISHMENT OF NEW RATES AND CHARGES.

WHEREAS: The Town of New Haven is a municipal corporation which provides sewer service for public, domestic, industrial, and commercial purposes.

WHEREAS: The Town of New Haven has been operating under rates and charges established by a tariff approved by the Public Service Commission.

WHEREAS: The Council of the Town of New Haven, West Virginia did at a regular council meeting on January 12, 2010, approve a new tariff as set forth herein:

NOW THEREFORE; BE IT ORDAINED BY THE TOWN OF NEW HAVEN, WEST VIRGINIA, that the following charges shall be in effect for the services rendered by the TOWN OF NEW HAVEN.

RECEIVED
2010 MAR 4 AM 8 14
WV PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

PHASE III - EFFECTIVE JULY 1, 2011

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for residential, commercial, and industrial service.

RATE

FIRST	2,000	gallons used per month	$9.76	per 1, 000 gallons
NEXT	3,000	gallons used per month	$9.28	per 1,000 gallons
NEXT	5,000	gallons used per month	$8.74	per 1,000 gallons
NEXT	10,000	gallons used per month	$8.51	per 1,000 gallons
NEXT	30,000	gallons used per month	$8.41	per 1,000 gallons
ALL OVER	50,000	gallons used per month	$7.87	per 1,000 gallons

MINIMUM CHARGE

The above schedule is subject to a minimum monthly charge of $19.52.

No bill will be rendered for less than the following amounts, according to the size of the meter:

5/8 inch	$19.52
3/4 inch	$29.28
1 inch	$48.80
1-1/4 inch	$71.25
1-1/2 inch	$97.60
2 inch	$156.16
3 inch	$292.80
4 inch	$488.00
6 inch	$976.00
8 inch	$1,561.60

DELAYED PAYMENT CHARGE

The above tariff is net. On all current usage billings not paid within 20 days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

RESALE RATE

Three dollars and thirty-four cents ($3.34) per 1,000 gallons of sewage processed.

TAP FEE

Two hundred fifty dollars ($250.00).

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Town of New Haven shall be the Town's charge to the customer for such a bad check, but such charge to the customer shall not exceed ten dollars ($10.00).

INCREMENTAL COST FOR WASTEWATER TREATED

Thirty-five cents ($0.35) PER 1,000 GALLONS. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

This ordinance after the proposed passage of the second and final reading shall take effect on:

July 1, 2011 - for Phase III

RECEIVED
2010 MAR 4 AM 8 14
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Passed by the Council of the Town of New Haven, West Virginia on the first reading this 12th day of January, 2010.

Proposed second and final reading will be held at a regular council meeting to be held on the 23rd day of February, 2010.

Ronald Zirkle
MAYOR

2/23/10
DATE

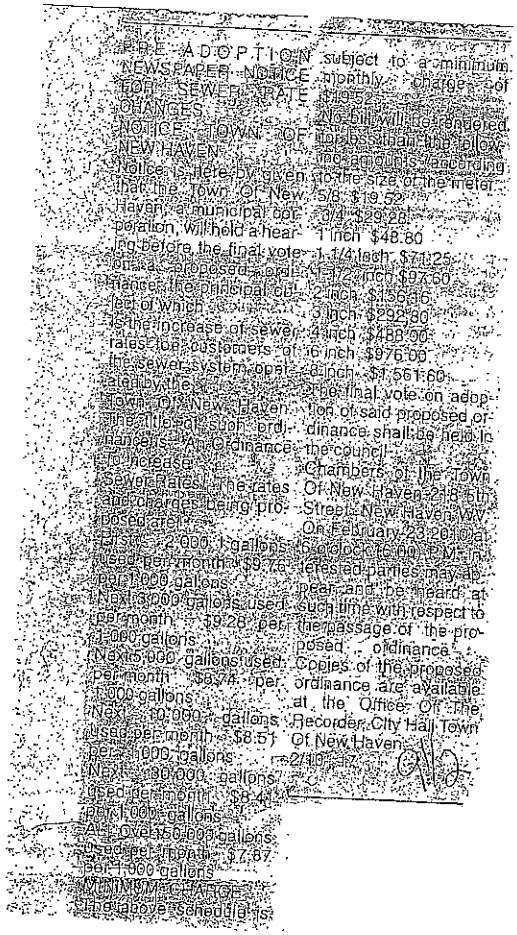
RECEIVED
2010 MAR 4 AM 8 14
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Town of New Haven

Point Pleasant Register

Point Pleasant www.mydailyregister.com

ID# 550516314
39 words per inch
$6.20/inch



PRE-ADOPTION NEWSPAPER NOTICE FOR SEWER RATE CHANGES

NOTICE - TOWN OF NEW HAVEN

Notice is hereby given that the Town of New Haven, 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 Town of New Haven. The title of such ordinance is: An ordinance to increase Sewer Rates. The rates and charges being proposed are: First 2,000 gallons used per month $9.72 per 1,000 gallons Next 3,000 gallons used per month $9.26 per 1,000 gallons Next 5,000 gallons used per month $8.78 per 1,000 gallons Next 90,000 gallons used per month $8.51 per 1,000 gallons All over 100,000 gallons used per month $7.67 per 1,000 gallons Minimum charge for the above schedule is subject to a minimum monthly charge of No bill will be entered for less than the following meter sizes: 5/8 $19.50 3/4 $29.20 1 inch $48.80 1 1/4 inch $71.25 1 1/2 inch $97.60 2 inch $156.16 3 inch $292.80 4 inch $488.00 6 inch $976.00 8 inch $1,561.60

The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the Town Of New Haven 218 4th Street, New Haven, WV On February 23, 2010 at 6:00 o'clock 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 Recorder, City Hall Town Of New Haven

RECEIVED
2010 MAR 4 AM 8 15
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

PROOF OF PUBLICATION

The State of West Virginia,

Mason County, ss:

I, Elizabeth Barnette, Advertising

Point Pleasant Register

Make solemn oath that notice, of which the attached is a true copy, was published in The Point Pleasant Register, a Newspaper printed in the City of Point Pleasant in said County of Mason, and of general circulation in said County, 2, times beginning on Feb 10, 2010 and ending Feb. 17, 2010

Elizabeth Barnette

Point Pleasant, WV Feb. 17, 2010.

Sworn to and subscribed before me this day.

Printer fees $ 103.07

Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
TAMMY S. SHEFFIELD
Point Pleasant Register
200 Main St., Pt. Pleasant, WV 25550
My commission expires July 4, 2011

Town of New Haven

post

RECEIVED
2010 MAR 17 AM 8 42
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Point Pleasant Register
Point Pleasant www.mydailyregister.com

ID# 550516314
39 words per inch
$6.20/inch

PROOF OF PUBLICATION

The State of West Virginia,

Mason County, ss:

I, Elizabeth Barnette, Advertising

Point Pleasant Register

Make solemn oath that notice, of which the attached is a true copy, was published in The Point Pleasant Register, a Newspaper printed in the City of Point Pleasant in said County of Mason, and of general circulation in said

County, 2, times

beginning on Feb. 27, 2010 and

ending March 6, 2010

Elizabeth Barnette

Point Pleasant, WV March 6, 2010

Sworn to and subscribed before me this day.

Printer fees $ 198.01

Tammy S. Crihfield

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
TAMMY S. CRIHFIELD
Point Pleasant Register
200 Main St., Pt. Pleasant, WV 25550
My commission expires July 4, 2011

PUBLIC NOTICE OF 3.10% rate increase 10% granted by the changed circumstances between said rates is available for the CHANGE IN RATES BY industrial increase $ rates or charges who customer or public inspection at the THE TOWN presents to the customers office of the Executive OF NEW HAVEN Public Authority's Commission a petition And other customers of Secretary of the Public Notice is hereby given crease 29.81 % in signed by not less than Utility. Said Service Commission at that the town of New crease 10% twenty five percent of the petition shall be accom- 201 Brooks St., P.O. Box Haven Sewer System Resale increase 0 % customers served by panied 812, Charleston, WV public Utility has adopted by or such municipally oper- By evidence of discrimi- 25323. 2/27-3/6 dinance on February 23, ated public utility or nation 2/27-3/6 2010, a tariff containing all customers in the area served by a municipally addressed to the Execu- increased rates and charges for customers tive Secretary, Public Rates and charges for customers may receive and who Service Commission of furnishing sewer service increases that are resides outside the West Virginia, 201 Brooks to 294 customers at the greater unless than aver- corporate limits and who is Street, P.O. Box 812, Town affected by the change in Charleston, WV 25323. Of New Haven in Mason Furthermore the re- said rates County, West Virginia quested rates and or charges and who Accompanied copy of pro- Phase III of the pro- charges are only a pro- presents to the Commis- posed rates as well as a posed rates and charges posal and are subject sion a petition alleging representative of the uti- will become effective July To change (increases or discrimination between lity 1, 2011. decreases) by the Pub- customers within and to provide any informa- Unless otherwise or lic Service Commission without the municipal tion requested concern- ordered by the Public Ser- In boundaries. Said petition must be available to all vice Commission and will be accompanied by customers prospective be subject to review, or this filing, shall evidence of discrimi- customers and or their produce approximately The Commission shall nation agents at any of the fol- $36,746 annual rev- review and approve or lowing locations 3 Any customer or group enue an increase modify the of customers who are af- of the Utility Office increase 10% proposed rates only fected by said change in Building The average monthly bill upon the filing of a pub- may protest the rates 218 5th Street for the various classes lic notice within 30 days of the rates Who reside within the New Haven WV 25265 customers will be addition of the ordinance Orang- municipal boundaries Mason's Office changed as follows: of the ordinance Orang- municipal boundaries Mason's Office Residential increase $ ing said rates or charges and who present a petition Town Hall 4.09 % increase 10% by to the New Haven WV 25265 Commercial increase $ 1 Any customer or Commission alleging dis- A copy of the proposed

PSC Order
Case No. 10-0875-S-CN

MINUTES OF THE NEW HAVEN TOWN COUNCIL FOR JANUARY 12, 2010

Meeting was called to order by Mayor, Ron Zerkle. He lead in the pledge of allegiance and a moment of silent prayer.

Minutes were read and approved.

Financial Statements were read and approved.

Building Permits. None at this time.

Public Speakers. Dave McComas from WV State Building Trades shared pages of bid criteria that will help us get a reputable contractor for the sewer project.

David Smith from 220 Layne (Gladys Gilman's old house) said that there is a leak between his house and the meter. If the house is out of city limits, we can't do anything. There are three meters next to his drive way. He wants to run a new line. The Mayor said we would check the boundaries to see what if anything we can do. The Mayor said we would adjust his bill.

Sam Anderson, Mayor of Hartford, deferred to Jack Ramsey from Triad Engineering concerning their sewer situation. They are under order by the DEP to fix problems. They were kicked into consolidation committee concerning a grant to fix the problems. Hartford Council would like to go forward on their own but needed to check with us if we would be willing to take over or maintain their sewer.

The Mayor said we could not subsidize Hartford at this time, but we are not opposing future help after we see the cost.

Jack will let us know about a meeting in Charleston next week. Janet was asked to contact John Ford about this information.

Anthony Sunday asked if the Town would consider hiring him. The Mayor said we weren't hiring at this time, but if he was willing to be on a call out list, we could used him from time to time. Anthony agreed.

Karen made motion to go into executive session. Jeff seconded. Motion carried.

The Mayor called the meeting back to order.

DEPARTMENTAL REPORTS.

GARBAGE. The first reading of the dumpster rate increase was presented by Janet. Karen made motion to approve the reading. Jim seconded. Motion carried.

POLICE. The Mayor read activity sheet from the department.

STREETS. The Steiner is being taken to the shop to be fixed so we can better handle snow removal.

WATER/SEWER. Johnnie is going to talk to Greg Roush about a trade in on our golf cart for a gasoline vehicle before we order a new battery for the old one.

Karen made motion to buy a pressure washer from Four Seasons with a trade in of our old one for @ $499. Dorothy seconded. Motion carried.

OLD BUSINESS.

SNOW REMOVAL. Dorothy made motion not to have the Town do snow removal for businesses or churches because of people needing to do it for a living. Karen seconded. Motion carried.

NEW BUSINESS

READING OF PHASE III SEWER ORDINANCE. Karen motioned to approve the first reading of the Phase III Sewer ordinance rate increase. Jim seconded. Motion carried.

TREE ON ROUSH AND ALLENDALE. The Council asked Janet to send a letter to three residents asking them to trim trees in their yard so traffic signs and corners are more visible.

SEWER ACCESS ROAD AT 197 MIDWAY. Council asked Janet to send a letter informing this resident that there will be traffic on the right-of-way through her property to get to the new pump station.

OTHER. The Mayor received a letter from the Warden at Lakin Prison asking the Town to install a hot tap for them. Jim made motion to send two town workers

for up to three hours to do this job. Jeff seconded. Motion carried.

Accounts Payable were approved.

Karen made motion to adjourn. Jim seconded. Motion carried.

NEXT MEETING: JANUARY 26, 2010, 6:00 PM.

Ronald Zobell
Mayor

Janet Macy
Recorder

MINUTES OF THE NEW HAVEN TOWN COUNCIL FOR FEBRUARY 23, 2010

Meeting was called to order by Mayor, Ronald Zerkle. He lead in the pledge of allegiance and a moment of silent prayer.

Minutes were read and approved.

Financial Statements were read and approved.

Building Permits. None at this time.

Public Speakers. Patricia Gilkey brought in all the requested paper work for a variance for a Daycare on Capehart Place. Karen made a motion to approve the variance. Dorothy seconded. Motion carried.

Frances Taylor asked why the City Streets were not cleaned during the bad snows. The Mayor said that he decided for cost purposes to not approve repeated cleanings.

OLD BUSINESS.

The Mayor opened the meeting for a hearing on the Phase III Sewer Rate Increase. No questions or comments were forthcoming.

After Janet completed the final reading, Karen made a motion to approve the adoption of the Increase. Dorothy seconded. Motion carried.

Janet concluded the second and final reading of the garbage dumpster rate increases. Jim made motion to approve. Karen seconded. Motion carried.

NEW BUSINESS.

Karen made motion to accept the Retirement Plus Employer Adoption Agreement from West Virginia Retirement Plus if any of the Town employees would be interested in the plan. Dorothy seconded. Motion carried.

Jim made motion to purchase a year book ad from Wahama High School for $120.00. Jeff seconded. Motion carried.

DEPARTMENTAL REPORTS.

GARBAGE. Karen made motion that all trash for pick-up be put out by 7:30 AM and if anyone calls to say they didn't get theirs out in time, they will have to wait until the next week for pick-up. Jim seconded. Motion carried.

STREETS. Janet will call Attorney, Tatterson to see if there is any legal problem with tearing down the Roush Drive sign.

The Mayor reported that the Steiner motor is fixed. He asked if the council wanted to go forward with other repairs. Karen moved to finish fixing the Steiner (deck and brush). Jeff seconded. Motion carried.

CITY HALL. The fire codes need to be brought up to date in the City Building. Running of extensions cords need to be addressed.

Janet was asked to call John Gerlach about work that needs to be done on the City Building (electrical work, handicap bathroom, etc.). If they still own the building, will they pay for repairs?

The Mayor read a letter from Brady Paxton telling us to call for any assistance needed.

POLICE. Dave Hardwick's wife has been laid off. Karen made motion to pay Cobra insurance until she gets rehired. Jim seconded. Motion carried.

Consideration of in-car camera was tabled until Rich could get estimates.

The monthly Police Report was read by the Mayor.

OTHER.

Frances Taylor brought up about the Light duty for injured or restricted workers. Safety Procedures need to address this.

Jim made motion for Town meeting with workers to be held tomorrow at 7:00 AM. Dorothy seconded. Motion carried.

Dorothy made motion to purchase parts to repair a pump at the plant. Jim

seconded. Motion carried.

Two of the Town trucks need tires. Jim will make appointments to get the trucks aligned and then purchase tires.

Accounts Payable were approved.

Sarah made motion to adjourn. Jim seconded. Motion carried.

WORK SESSION: MARCH 4, 2010, 9:00 AM for budget and job descriptions.

NEXT MEETING: MARCH 23, 2010, 6:00 PM.

Ronald Yeakle
MAYOR

Janet May
RECORDER

AN ORDINANCE OF THE TOWN OF NEW HAVEN, WEST VIRGINIA, AMENDING THE SCHEDULE OF RATES AND CHARGES FOR THE SERVICES AND FACILITIES FURNISHED THE CUSTOMERS OF THE SEWER SYSTEM OF THE TOWN OF NEW HAVEN BY INCREASING SAID RATES AND CHARGES BY THE ESTABLISHMENT OF NEW RATES AND CHARGES.

WHEREAS: The Town of New Haven is a municipal corporation which provides sewer service for public, domestic, industrial, and commercial purposes.

WHEREAS: The Town of New Haven has been operating under rates and charges established by a tariff approved by the Public Service Commission.

WHEREAS: The Council of the Town of New Haven, West Virginia did at a regular council meeting on January 12, 2010, approve a new tariff as set forth herein:

NOW THEREFORE; BE IT ORDAINED BY THE TOWN OF NEW HAVEN, WEST VIRGINIA, that the following charges shall be in effect for the services rendered by the TOWN OF NEW HAVEN.

PHASE III - EFFECTIVE JULY 1, 2011

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY

Available for residential, commercial, and industrial service.

RATE

FIRST	2,000	gallons used per month	$9.76	per 1, 000 gallons
NEXT	3,000	gallons used per month	$9.28	per 1,000 gallons
NEXT	5,000	gallons used per month	$8.74	per 1,000 gallons
NEXT	10,000	gallons used per month	$8.51	per 1,000 gallons
NEXT	30,000	gallons used per month	$8.41	per 1,000 gallons
ALL OVER	50,000	gallons used per month	$7.87	per 1,000 gallons

MINIMUM CHARGE

The above schedule is subject to a minimum monthly charge of $19.52.

No bill will be rendered for less than the following amounts, according to the size of the meter:

5/8 inch	$19.52
3/4 inch	$29.28
1 inch	$48.80
1-1/4 inch	$71.25
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6 inch	$976.00
8 inch	$1,561.60

DELAYED PAYMENT CHARGE

The above tariff is net. On all current usage billings not paid within 20 days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

RESALE RATE

Three dollars and thirty-four cents ($3.34) per 1,000 gallons of sewage processed.

TAP FEE

Two hundred fifty dollars ($250.00).

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to the Town of New Haven shall be the Town's charge to the customer for such a bad check, but such charge to the customer shall not exceed ten dollars ($10.00).

INCREMENTAL COST FOR WASTEWATER TREATED

Thirty-five cents ($0.35) PER 1,000 GALLONS. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

This ordinance after the proposed passage of the second and final reading shall take effect on:

July 1, 2011 - for Phase III

Passed by the Council of the Town of New Haven, West Virginia on the first reading this 12th day of January, 2010.

Proposed second and final reading will be held at a regular council meeting to be held on the 23rd day of February, 2010.

Ronald Yorkle
MAYOR

2/23/10
DATE

TOWN OF NEW HAVEN - SANITARY BOARD
Cash Flow Analysis
For the Fiscal year Ended June 30, 2009

Description	Per Books	Adjustments		Proforma
Avaiable Cash:				
Operating Income	322,825	125,867	<1>	448,692
Other Income	63			63
Total Cash Available	322,888	125,867		448,755
Cash Requirements:				
Operating Expenses	234,020	8,101		242,121
Payroll Taxes	6,071			6,071
Total Cash Requirements Before Debt Service	240,091	8,101		248,192
Cash Available for Debt Service	82,734	117,766		200,563
Debt Service Requirements:				
Debt Service (Existing)	56,712			56,712
Debt Service (Proposed)	0	117,636		117,636
Totals	56,712	117,636		174,348
Surplus (Deficit)	26,022	130		26,125
Coverage	145.88%			115.04%

<1> Includes 15% effective 1/1/2010
Includes 13% effective 1/1/2011
Includes 10% effective 7/1/2011

AN AMENDED ORDINANCE BY THE COUNCIL OF THE TOWN OF NEW HAVEN, MASON COUNTY, WV, DID ON THE NINTH DAY OF FEBRUARY, 2010, ESTABLISH AN ADJUSTMENT IN RATES FOR THE COLLECTION AND DISPOSAL OF GARBAGE, REFUSE, WASTE, TRASH, AND ANY OTHER SIMILAR MATTERS FOR BUSINESSES IN SAID TOWN OF NEW HAVEN PURSUANT TO CHAPTER 8, ARTICLE 13, SECTION 12 OF THE OFFICIAL CODE OF WEST VIRGINIA.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NEW HAVEN, MASON COUNTY, WV, TO AMEND THE REFERRED ORDINANCE:

On a motion from Council Person Jim Elias, with a second to this motion offered by Council Person Karen Hindel,

Section 1. That on the first day of March 2010, there shall be imposed upon each business establishment in said Town of New Haven, WV, the rate for collection and disposal of trash in dumpsters as follows:

One three yard, one weekly pick-up at a monthly rate of	$ 55
One three yard, two weekly pick-ups at a monthly rate of	$ 110
One six yard, one weekly pick-up at a monthly rate of	$ 110
One six yard, two weekly pick-ups at a monthly rate of	$ 220

Section 2. That on the first day of March, 2010, there shall be imposed upon each business establishment in said Town of New Haven, WV, the rate for collection and disposal of trash in cans and bags as follows:

One weekly pick-up at a monthly rate of	$ 27.50
Two weekly pick-ups at a monthly rate of	$ 45.00

AFTER DISCUSSION AND CONSIDERATION OF THE ABOVE ORDINANCE, THE FOLLOWING COUNCIL PERSONS VOTED IN FAVOR OF, OR IN OPPOSITION OF THE PROPOSED BUSINESS DUMPSTER AND CAN/BAG RATE CHARGES:

JEFF RUSSELL	(YES)	NO
SARAH GIBBS	(YES)	NO
DOROTHY ROUSH	(YES)	NO
JIM ELIAS	(YES)	NO
KAREN HINDEL	(YES)	NO

MOTION CARRIED.

MAYOR: Ronald Zerkle
Ronald Zerkle

RECORDER: Janet May
Janet May

Published in Point Pleasant Register: February26, 2010

Point Pleasant Register

Point Pleasant, WV

PROOF OF PUBLICATION

The State of West Virginia,

Mason County, ss:

I, Pam Caldwell, Advertising Director,

Point Pleasant Register

Make Solemn Oath that notice, of which

the attached is a true copy, was published

in the Point Pleasant Register, a newspaper

published in the City of Point Pleasant, said County

of Mason, and of general circulation in said

County TWO time(s), beginning on

September 14, 2010 and ending on September 21, 20

Pam Caldwell

Gallipolis, OH Oct 18, 2010

Diane Kay Hill

Sworn to and subscribed before me this day.

Printers Fee $ 203.44

OFFICIAL SEAL
DIANE KAY HILL
NOTARY PUBLIC – STATE OF OHIO
MY COMMISSION EXPIRES 7-12-14
RECORDED IN GALLIA COUNTY, OHIO

NOTICE OF PUBLIC HEARING ON THE PUBLIC TOWN OF NEW HAVEN BOND ORDINANCE. A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the Town of New Haven (the "Town") to be held on Tuesday, October 26, 2010 at 7:00 p.m. at the Town Hall, New Haven, West Virginia, and at such hearing any person interested may appear before the Town and present protests, and all protests and suggestions shall be heard by the Town and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled: TOWN OF NEW HAVEN ORDINANCE AUTHORIZING THE PAYMENT OF THE PRIOR NOTES, THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE TOWN OF NEW HAVEN AND THE FINANCING OF THE COST THEREOF NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $4,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO. The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The Town contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to pay the Prior Notes, (ii) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the public sewerage system of the Issuer (the "Project"), (iii) to fully fund the Series 2010 B Bonds Reserve Account, and (iv) to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable from the revenues derived from the System. 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 Town of New Haven on October 12, 2010. A certified copy of the above entitled Ordinance is on file with the Town for review by interested parties during regular office hours. Following the public hearing, the Town intends to enact the Ordinance upon final reading. /s/ Pat Paugh Clerk Oct 14 & 21, 2010

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

MINUTES ON ADOPTION OF
SUPPLEMENTAL RESOLUTION

The undersigned RECORDER of Town of New Haven, hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Council:

*** *** ***

The Council of Town of New Haven met pursuant to notice duly posted, on the23rd day of November, 2010, at the Town Hall, New Haven, West Virginia, at the hour of 6:00 p.m.

PRESENT:

Ronnie Zerkle, Mayor
April Lloyd, Recorder
Sarah Gibbs, Councilmember
James H. Elias, Councilmember
Jeffrey Russell, Councilmember
Frances Taylor, Councilmember
Dorothy Roush, Councilmember
Janet May, Clerk

Tom Aman, Steptoe & Johnson PLLC

ABSENT: None.

Ronnie Zerkle, Mayor, presided, and April Lloyd, 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 then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO
PRINCIPAL AMOUNT, DATE, MATURITY DATE,

REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA SRF PROGRAM), OF THE TOWN OF NEW HAVEN; APPROVING AN ORDINANCE; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Jeff Russell and seconded by Frances Taylor, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Draw for the approval of invoices. Thereupon, on motion duly made by Dorothy Roush and seconded by Jeff Russell, it was unanimously ordered that the said Draw 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 Jim Elias and seconded by Frances Taylor, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

Mayor Zerkle resigned effective November 30, 2010 and George Gibbs was appointed new mayor to serve the remainder of the term commencing December 1, 2010.

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 Town of New Haven 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 16th day of December, 2010.

Recorder

MINUTES OF THE TOWN OF NEW HAVEN COUNCIL MEETING FOR SEPTEMBER 28, 2010

Minutes were read and approved.

Financial statement was read and approved.

BUILIDING PERMITS: Katie Swartz – 909 4th street – replace roof.
Randy Roush – 174 Lynn Drive – Enclose an existing carport to make a garage.
Lorena Clemans – 116 Tatum Drive – Storage Building
Brian May – 118 Tatum Drive - Replace Roof
Frances made a motion to accept building permits.
Dorothy seconded. Motion Carried.

PUBLIC SPEAKERS: John Stump from Steptoe & Johnson was here to go over the Resolutions and Ordinances. The question was asked if the hearing could be held on the same day as the 3rd reading and Mr. Stump said that yes it could.

Dorothy made a motion to accept the Resolution on Open Governmental Proceedings Rules. Jeff Seconded. Motion Carried.

Jim made a motion to accept the first reading for the Ordinance Creating / Ratifying a Sanitary Board of the Town of New Haven. Dorothy Seconded. Motion Carried.

Jim made a motion to accept the first reading of the Bond Ordinance to Refund 2004 Bonds. Jeff Seconded. Motion Carried.

Jeff made a motion to accept the first reading of the Bond Ordinance for Sewer Project. Dorothy Seconded. Motion Carried.

Mr. James McCormick was there to let the Council know that he was representing Work Force of West Virginia. Mr. McCormick also stated that residents in the town were coming to him with problems and voicing their complaints. He has told the residents that they are welcome to attend the council meetings and encouraged that they do so.
Mr. McCormick asked if there was a curfew in town and it was stated that the town has a Curfew Ordinance. Mr. McCormick also asked about yelling and cursing in public and it was stated that the town does have a Noise Ordinance.

Mr. McCormick asked if the town had a recycling area. The council told him we no longer have one but there is one located at the Hartford Community Building.

Mr. McCormick also asked if he could help the town with finding a police officer at this time. The Mayor stated that we are looking over applications and we are going to stay with one officer for right now but he is looking into having Terry Powell come and work a few hours.
Mr. McCormick complimented Dave Hardwick on doing a good job.

DEPARTMENTAL REPORTS:

GARBAGE: Employees will take the dumpster out of the ballfield on or around November 15th.
Frances made a motion that residents with extra trash pick up will need to prepay before pickup. Dorothy Seconded. Motion Carried.

WATER: The town now has a backflow test kit and Mike Taylor has been doing backflow testing. Mike asked if we could purchase some pressure vacuum breakers to have on hand to give to the residents that they are testing on a regular basis.
Thompson's Hardware Store does have pressure vacuum breakers for garden hoses for residents to purchase.

SEWER: Jim made a motion to record the Easements for the sewer project at the court house. Jeff Seconded. Motion Carried.
Johnny Oldaker is going to check to see if Steve Myers will come while he is on vacation. Discussion ensued on using Steve and keeping him and the council decided to keep Steve as is.
Council decided not to allow Jack's Septic Service to dump at the sewer plant because of the upcoming Sewer Project starting.

RECREATION: A resident has requested records for the Community Center. The Mayor has requested that these be brought in. We are in the process of getting these. The Mayor asked if the council would like to form a board for recreation. Dorothy felt we should leave it as is. The council talked about having the records and receipts kept at City Hall for the Community Building.

POLICE: Jim made a motion to give Dave Hardwick a $1.00 raise. Dorothy Seconded. Motion Carried. Dave stated that residents were asking why he was not made Chief because he has the pay and the responsibility. He said that if it was too much for him that he would let the council and residents know. He would still like to be able to take calls from residents. The Council will take two weeks to think about this and get back with him.

The police car needs new tires on the front. Received prices from Sassafras Tire and Imperial. Dave is going to get other prices.
Council requested that the police car be parked in front of City Hall when the police officer is off duty.

STREETS: Mike asked about fixing the driveway at Mary Arnolds and Rich Gerlach's. Council agreed that Mary Arnolds needs to be fixed, but the line needs to be replaced before it is fixed.
The Mayor asked if council wanted to transfer $13,493.01
Jim made a motion to transfer the money. Dorothy Seconded. Motion Carried.
The following work will be done with it…
Repair Mary Arnold's driveway, Concrete Travis Street and Repair the sidewalk at the Community Center.

CITY HALL: There was discussion on having someone to fill in for Janet May at City Hall when she is on vacation. Janet has trained April Lloyd to do this. Jim made a motion to pay April minimum wage to fill in for Janet. Dorothy Seconded. Motion Carried.

Mike Taylor asked if the Recorder April Lloyd could be put on the checking account. Jim made a motion to put April on the checking account. Dorothy Seconded. One abstaining vote. Motion Carried.

NEW BUSINESS: Trick or Treat has been set for October 28, 2010 from 6:00pm to 7:00pm.

Jim made a motion to purchase 50 date planners. Dorothy Seconded. One No vote. Motion Carried.

Mike Taylor asked about the town recovering the cost of scrapping the old water meters and use the money to go toward the employees Christmas bonus instead of an employee taking them and scrapping them. Council decided the town would scrap them but could not designate the money to be used for bonuses.

The town employees will talk to David Duddley about a possible water line and a meter on the property where his garage is planning on being built.

Discussion ensued on the handicap ramp in front of City Hall. A new idea and drawing was presented and discussed.

Sarah made a motion to adjourn. Jeff Seconded. Motion Carried.

NEXT COUNCIL MEETING WILL BE HELD ON OCTOBER 12, 2010 AT 6:00 PM

Ronald Zerkle
Mayor

Recorder

MINUTES OF THE TOWN OF NEW HAVEN COUNCIL MEETING FOR ~~SEPTEMBER 28~~ October 12, 2010

Minutes were read and approved.

Financial statement was read and approved.

BUILDING PERMITS: Larry Wiley - 216 Oak Street – Sod front yard, remove old fence and install a new one.
Melissa Miller – 201 Midway Drive – 28 x 24 addition
Jimmie Goodnite – 109 7th street – porch roof
Michael Taylor – 615 First Street – remove wood fence on front porch and replace it.
Thelma Roach – 169 Roush Drive – Replace Roof

Frances made a motion to approve building permits. Dorothy Seconded. Motion Carried.

Correction to minutes from October 12, 2010: It was stated that the council decided not to let Jack's Septic Service dump at the sewer plant because of upcoming sewer project. The correction is to be stated that we will not allow any outside contractors septic dumping and permits due to the upcoming sewer project.

PUBLIC SPEAKERS: Clyde Weaver from the zoning commission asked if the zoning commission could be paid.
Jim made a motion to pay the zoning board members $25.00 per meeting.
Dorothy Seconded. 1 Abstaining vote. Motion Carried

Jam Leszcynski voiced his concerns about the plants and vegetation being sprayed and killed on the fence at the playground on Haven Heights and presented the council with pictures of it. It was stated that residents on Haven Heights asked to have it taken care of because they could not see the children when they were on the playground.
Mr. Leszcynski also had concerns about the ditch that was being dug on his property. He asked the town employees to stop digging on his property and they did stop. He also asked about getting a Taxi service in this area.

Phil Serevicz presented his 2000 building permit that stated rental spaces. He inquired about doing an amendment to it.
Mr. Serevicz also asked about viewing the Community Center statements, checkbook and receipts. Bernita told him that she would have them at City Hall by the end of next week.

NEW BUSINESS: Jim made a motion to accept the second reading and passage of an ORDINANCE TO CREATE A SATITARY BOARD. Jeff Seconded. Motion Carried.

Jeff made a motion to accept the second reading of the BOND ORDINANCE TO REFUND 2004 BONDS. Dorothy Seconded. Motion Carried.

Jim made a motion to accept the second reading of the BOND ORDINANCE FOR PROJECT. Dorothy Seconded. Motion Carried.

Frances presented a copy of the minutes from June 29, 2010 where a motion was made by Dorothy Roush and seconded by Jim Elias to pay the Council $50.00 for each work session and $100.00 to the Mayor for each work session.

James McCormick talked to the council about a neighborhood watch program and said that there was a gentleman that could come and talk to the council about this.

DEPARTMENTAL REPORTS:

WATER: The council and Mike Taylor talked about needing to have an ordinance on the cost of backflow prevention and backflow checking devices on business and residential.

RECREATION: Bernita presented the council with the estimate for repairing the heat pump at the Community Building. It was for $3,173.00 from Doug Drapper. The Council asked if she could get estimates on the cost of a new unit.
Bernita asked if we could form a recreation committee. She has talked to the following people about serving on this committee. Dorothy Roush, Juddy Allen, Paul Hesson, Carolyn Hesson, Karen Hindel, Jessica Howard and Amy Ferguson. It was tabled until a further date.
Discussion ensued about the Community Center and Bernita stated that 10% of the rental goes to pay her. The council was unaware that she could receive 10%.

POLICE: Frances made a motion to make Dave Hardwick Police Chief. Jim Seconded. Motion Carried.

EMPLOYEES: There was discussion on hiring a new police judge. The town will need to advertise for this position. It was tabled until a further date.

CITY HALL: Jim made a motion to give the Women's Club $150.00 for the Halloween Party at the Fire Station. Frances Seconded. Motion Carried.

Frances completed the grant for the wheel chair ramp at City Hall and has received 3 bids.
1st - $5,480.00 from S&H for a concrete ramp
2nd - $3,280.00 from S&H for a wooden ramp
3rd - $2,200.00 from David Kearns for a wooden ramp
Frances is going to contact Tory Brewer and check to see if the builder has to be licensed.

OLD BUSINESS: Frances presented the check to the town for $163.36 for her zoning pay.

Jim made a motion to repair the town truck. Dorothy Seconded. Motion Carried.

Sarah made a motion to adjourn. Jeff Seconded. Motion Carried.

A HEARING FOR THE ORDINANCES WILL BE HELD ON OCTOBER 26, 2010 AT 5:00 PM
NEXT COUNCIL MEETING WILL BE HELD ON OCTOBER 26, 2010 AT 6:00 PM

Ronald Zeeble
Mayor

Recorder

MINUTES OF THE TOWN OF NEW HAVEN COUNCIL MEETING FOR OCTOBER 26, 2010

Minutes were read and approved.

Financial statement was read and approved.

BUILIDING PERMITS: Jeffrey Russell – 301 Bryant Dr. – House
Sadie Wilson – 216 Midway Dr. – Car port cover

Jim made a motion to approve building permit for Sadie Wilson. Dorothy Seconded. Motion Carried.
Frances made a motion to approve the building permit for Jeff Russell. Dorothy Seconded. Motion Carried.

PUBLIC SPEAKERS: Charlie Powell, Brian Sherrick, J.L. Perry and Dave Hall from AEP were here to make a presentation on Mountaineer plant carbon capture & storage project.

Bernita asked about taking the Community Center off the on demand. Mr. Powell said to send him a letter and he would try and take care of it.

John Stump from Steptoe & Johnson was there for the final reading of the Ordinances.

NEW BUSINESS: The Mayor opened the meeting for the 3rd and final reading of the Bond Ordinance Project.
Frances made a motion to approve the final reading. Jim Seconded. Motion Carried.

The Mayor opened the meeting for the 3rd and final reading of the Bond Ordinance to Refund 2004 Bonds.
Dorothy made the motion to approve the final reading. Frances Seconded. Motion Carried.

Jim made a motion to make November 21-27, 2010 Christian Heritage week. Dorothy Seconded. Motion Carried.

DEPARTMENTAL REPORTS:

GARBAGE: Jim made a motion to purchase two 3 yard dumpsters. Dorothy Seconded. Motion Carried.

RECREATION: Bernita checked on purchasing a new unit for the Community Building and found that all the tubing would have to be changed.

Dorothy Roush made a motion to repair the heat pump unit at the Community Center from the Coal Severance funds. Jim Seconded. Motion Carried.

POLICE: Dave Hardwick asked about hiring another police officer. Discussion ensued on this and the council is going to look into hiring another police officer.

Dave asked if we could set a time on the curfew because the ordinance does not list a time on it. Council will make an addendum to the curfew and include a time.

WATER: Jim made a motion to purchase a special battery for the telemetry on the water tank. Dorothy Seconded. Motion Carried.

CITY HALL: The Mayor asked Janet to call and have another phone line added to City Hall.
Bill James talked to the council about cleaning up the wiring in City Hall due to it being a fire hazard. Council will look into purchasing items to do this.

EMPLOYEES: Information was found that stated that the position for a Police Judge does not need to be advertised. It can be appointed by the Mayor. The Council asked about hiring Paul Crump. Frances asked if Greg Roush could write a letter of recommendation for Paul Crump.

OLD BUSINESS: Council decided not to pursue the wheelchair ramp at City Hall at this time.

Accounts payable were read and approved.

Dorothy made a motion to adjourn. Frances Seconded. Motion Carried.

WORK SESSION WILL BE HELD ON NOVEMBER 1, 2010 AT 9:00 AM
NEXT COUNCIL MEETING WILL BE HELD ON NOVEMBER 9, 2010 AT 6:00 PM

Ronald Noble
Mayor

Recorder

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 12/16/2010

ISSUE: Town of New Haven
Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program)

ADDRESS: P.O. Box 217, New Haven, West Virginia 25265 COUNTY: Mason

PURPOSE OF ISSUE:
New Money: X
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 12/16/2010
CLOSING DATE: 12/16/2010
ISSUE AMOUNT: $3,277,500
RATE: 0%, 0.5 Adm Fee
1ST DEBT SERVICE DUE: 6/1/2012
1ST PRINCIPAL DUE 6/1/2012
1ST DEBT SERVICE AMOUNT $27,313
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: City National Bank
Contact: Lana Smith
Phone: 304.882.2135

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Janet May
Position: Clerk
Phone: 304.882.3203

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 2010 A Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

City National Bank, New Haven, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the Town of New Haven (the "Issuer") enacted by the Issuer on October 26, 2010, and a Supplemental Resolution adopted by the Issuer on November 23, 2010 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated December 16, 2010, issued in the original aggregate principal amount of $3,277,500 (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 16th day of December, 2010.

CITY NATIONAL BANK

By: _____
Its: Authorized Officer

12.01.10
658600.00002

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of New Haven Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), dated December 16, 2010, in the aggregate principal amount of $3,277,500 (the "Series 2010 B Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2010 A Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2010 B Bonds.

WITNESS my signature on this 16th day of December, 2010.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

11.19.10
658600.00002

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the Town of New Haven (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), of the Issuer, dated December 16, 2010, in the principal amount of $3,277,500, numbered BR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 16th day of December, 2010.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

11.19.10
658600.00002

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 16th day of December, 2010, by and between the Town of New Haven, 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 $3,277,500 Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted October 26, 2010, and a Supplemental Resolution of the Issuer duly adopted November 23, 2010 (collectively, the "Bond Legislation");

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

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

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

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

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

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

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

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

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

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

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

ISSUER: Town of New Haven
PO Box 217
New Haven, West Virginia 25265
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

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 CRF 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 Bonds in accordance with the Bond Legislation.

10. 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 Left Blank]

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.

TOWN OF NEW HAVEN

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

11.19.10
658600.00002

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 16, 2010

Town of New Haven
Account Number 6089001809

Town of New Haven
Sewer Revenue Bonds, Series 2010 B
c/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR December, 2010

****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

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
dep.wv.gov

June 2, 2010

The Honorable Ronnie Zerkle
Mayor of New Haven
P. O. Box 217
New Haven, West Virginia 25035

RE: Town of New Haven
Plans and Specifications Approval
SRF No. C-544430

Dear Mayor Zerkle:

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 Jonathan Holbert, P.E. at (304) 926-0499, ext.1298.

Sincerely,

Mike Johnson

Mike Johnson, P.E.
Program Manager
Clean Water SRF Program

MJ/jh
cc: Jack Ramsey, P.E., Triad Engineering, Inc. ✓

OWR Permit Details

(1)OWR Permit	
PERMITTEE	NEW HAVEN TOWN OF
DEP OFFICE	OWR
PERMIT ID	WV0032531
ISSUE/REISSUE DATE	08/20/07
EXPIRATION DATE	08/19/12
FACILITY NAME	NEW HAVEN TOWN OF
DESCRIPTION	
No. of CUSTOMERS	790
DISTURBED ACRES	
SLUDGE TONNAGE	
DESIGN FLOW(MGD)	0.400000
AVERAGE FLOW(MGD)	
MAJOR FACILITY	N
EXTENSION DATE	

(1) County / Quad	
County: Mason	Quad: NEW HAVEN

(3) Inspectable Units	
INSPECTABLE UNIT CODE	TYPE
ENTIRE	Entire Default
001	Outlet
S01	Sludge

(3) Permit Geography		
INSPECTABLE UNIT CODE:	001	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	38° 59'30.0000"	
LONGITUDE:	81° 57'52.0000"	
COUNTY:	Mason	
INSPECTABLE UNIT CODE:	ENTIRE	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	38° 59'30.0000"	
LONGITUDE:	81° 57'52.0000"	
COUNTY:	Mason	
INSPECTABLE UNIT CODE:	S01	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	38° 59'30.0000"	
LONGITUDE:	81° 57'52.0000"	
COUNTY:	Mason	

ACORD

CERTIFICATE OF LIABILITY INSURANCE

OP ID: CM

DATE (MM/DD/YYYY) 12/02/10

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Commercial Insurance Services
340 MacCorkle Ave. Ste #200
Charleston, WV 25314
Trip King
304-345-8000
304-345-8014

CONTACT NAME:
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:
PRODUCER CUSTOMER ID #: NEWHA-1

INSURED
Town Of New Haven
P. O. Box 217
New Haven, WV 25265

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Argonaut Great Central Ins. Co	
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC			PE-4615771-03	11/01/10	11/01/11	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Emp Ben.	$ 2,000,000 $ 500,000 $ N/A $ 2,000,000 $ 6,000,000 $ 6,000,000 $ 2,000,000
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS			PE-4615771-03	11/01/10	11/01/11	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 2,000,000 $ $ $
A	UMBRELLA LIAB X OCCUR X EXCESS LIAB CLAIMS-MADE DEDUCTIBLE X RETENTION $			PE-4615771-03	11/01/10	11/01/11	EACH OCCURRENCE AGGREGATE	$ 1,000,000 $ 1,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		PE-4615771-03	11/01/10	11/01/11	WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Certificate holder is additional insured as respects Sewer Upgrade.

CERTIFICATE HOLDER

WVWDCHA

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service 1974 - 2010

December 16, 2010

Town of New Haven
Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of John L. Ford the independent certified public accountant, and the opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative for the West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amount of the Series 1982 B Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program), in the original aggregate principal amount of $3,277,500 (the "Series 2010 B Bonds") by the Town of New Haven (the "Issuer"), under the terms of the bond ordinance authorizing the Series 2010 B Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Supplemental Subordinate Sewer Revenue Bonds, Series 1982 B (West Virginia Water Development Authority), dated October 27, 1982, issued in the original aggregate principal amount of $89,500 (the "Series 1982 B Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Carol A. Cummings
Authorized Representative

11.19.10
658600.00002

180 Association Drive, Charleston, WV 25311-1217
Phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

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 16, 2010**

Re: **Town of New Haven Sewer Revenue Bonds, Series 2010 B (West Virginia SRF Program)**

DISBURSEMENTS TO THE TOWN OF NEW HAVEN

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2010 B Bonds Proceeds
Amount:	$350,512
Form:	Wire
Payee:	Town of New Haven, 218 5th St., New Haven, WV 25265
ABA #:	051904524
Account #:	8002045121
Bank:	City National Bank, 413 5th St., New Haven, WV 25265
Contact:	Lana Smith 304.882.2135
Account:	Series 2010 B Bonds Construction Trust Fund

DISBURSEMENTS TO FARMERS BANK

Payor:	Town of New Haven
Source:	Series 2010 B Bonds Proceeds
Amount:	$75,049.73
Form:	Check
Payee:	Town of New Haven, P.O. Box 217, New Haven, WV 25265
Bank:	Farmer's Bank and Savings Company
Contact:	Michael A. Lieving, Executive Vice President
Purpose:	Pay the Prior Notes

DEP PAYMENT REQUISITION FORM

Rev 04/07/09

1. LOAN RECIPIENT/VENDOR:

NAME: Town of New Haven

ADDRESS: 218 Fifth Street

New Haven, WV 25562

FEIN: 55-0462228

DUNS: 032823929

2. SRF #: C-544430

3. INVOICE NUMBER: 1

4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)

FROM: (MO/DAY/YR) 8/1//2008

TO: (MO/DAY/YR) 11/23/2010

5. % of PHYSICAL CONSTRUCTION COMPLETION 0%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY
1) CONSTRUCTION					
a. WWTP Upgrade	$ 1,118,000			$ -	
b. Colelction System	$ 1,148,821			$ -	
c. Cedar Street	$ 260,338			$ -	
2) EQUIPMENT	$ 53,461			$ -	
3) ENGINEERING					
a. Planning	$ 15,000		$ 15,000	$ 15,000	
b. Design	$ 183,560		$ 173,432	$ 173,432	
c. Const Basic	$ 31,690			$ -	
d. Spec Services	$ 68,230		$ 54,030	$ 54,030	
e. Inspection	$ 128,950			$ -	
4) LEGAL	$ 25,000		$ 7,500	$ 7,500	
5) ACCOUNTING	$ 15,000			$ -	
6) ADMINISTRATIVE	$ 2,500			$ -	
7) CONTINGENCY	$ 126,400			$ -	
8) LOAN REPAYMENT	$ 75,050		$ 75,050	$ 75,050	
9) RESERVE FUND	$ -			$ -	
10) CLOSING COSTS	$ 25,500		$ 25,500	$ 25,500	
11) SUBTOTAL	$ 3,277,500	$ -	$ 350,512	$ 350,512	
12) LESS PREVIOUSLY PAID				$ -	
13) INVOICE AMOUNT				$ 350,512	

14) George Gibbs 12/01/10

AUTHORIZED SIGNATURE DATE

GEORGE GIBBS, MAYOR

TYPED OR PRINTED NAME AND TITLE

15) Katy Mallory

PERSON PREPARING FORM SIGNATURE

Katy Mallory

TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: **WV DEPARTMENT OF ENVIRONMENTAL PROTECTION**

PROJECT REVIEWER DATE

AUTHORIZED OFFICER DATE

TOWN OF NEW HAVEN

Sewer Revenue Bonds, Series 2010 B
(West Virginia SRF Program)

RECEIPT AND RELEASE

Farmer's Bank and Savings Company, Mason, West Virginia, as the holder of the Town of New Haven's Promissory Note, dated October 11, 2007, issued in the original aggregate principal amount of $90,000 (the "Prior Notes") hereby certifies that it has this day received the sum of $75,049.73 from the Town of New Haven and that such sum is sufficient to pay the entire principal amount of and interest accrued on the Prior Notes, to the date hereof and discharge the liens, pledges and encumbrances securing the Prior Notes.

Dated this 16th day of December, 2010.

FARMER'S BANK AND SAVINGS COMPANY

By: Michael R. Rice EVP
Its: Authorized Officer

12.01.10
658600.00002

CH5415437

SWEEP RESOLUTION

WHEREAS, the Town of New Haven (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Mayor and the Recorder 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 23rd day of November, 2011.

Mayor

Recorder

Prior Debt

1982 B

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SUPPLEMENTAL SUBORDINATE SEWER REVENUE BOND,
SERIES 1982

$89,500

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or its registered assigns (the "Alternate Payee"), in principal installments of $2,418.92 payable on October 1 of each of the years from 1983 through 2019, inclusive, the aggregate sum of Eighty-nine Thousand Five Hundred Dollars ($89,500) in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through the Charleston National Bank, Charleston, West Virginia.

This Bond is subject to redemption prior to its stated date of maturity only with the written consent of the Authority, so long as it is the registered owner hereof.

This Bond represents the aggregate principal amount, being $89,500, of an authorized issue of Bonds (the "Bonds") issued to refund a portion of certain renewed sewer system bond anticipation notes of the Town (the "Note"), the original of which Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system (the "System") of the Town. The remainder of the Note is being refunded with the proceeds of $295,000 in aggregate principal amount of subordinate sewer revenue bonds issued contemporaneously herewith (the "Second Lien Bonds") and with certain other available funds of the Town. This Bond is authorized under and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Town Council of the Town on the 8th day of July, 1980, as amended thereby on the 22nd day of July, 1980, as supplemented thereby on the 4th day of August, 1980, as further supplemented and amended thereby on the 28th day of July, 1981, as further supplemented and amended thereby on the 8th day of June, 1982, as further supplemented thereby on the 14th day of June, 1982, as further amended and supplemented thereby on the 13th day of September, 1982, and as further supplemented thereby on the 25th day of October, 1982 (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. In addition to authorizing the Second Lien Bonds, the Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured prior to the Bonds and

equally and ratably from and by the funds and revenues and other security provided for the Second Lien Bonds under the Ordinance.

The Bonds are payable only from and secured by the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town, which net revenues shall be sufficient to pay the principal of, and interest on, all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same except from said special fund provided from the net revenues from the operation of said System. By the Ordinance, the Town has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of said System and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations, including the Second Lien Bonds and the Bonds, payable from such revenues. Notwithstanding any of the foregoing, the lien on, pledge of and security for payment of the Bonds from such revenues are junior and subordinate to the lien on, pledge of and security for payment from such revenues created by the Ordinance on behalf of the Second Lien Bonds. The Town has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the holders of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

THE BONDS ARE THIRD LIEN OBLIGATIONS OF THE TOWN. BOTH THE BONDS AND THE SECOND LIEN BONDS ARE JUNIOR, SUBORDINATE AND INFERIOR AS TO SOURCE OF PAYMENT AND SECURITY AND IN ALL OTHER RESPECTS TO $103,000 IN PRINCIPAL AMOUNT OF THE TOWN'S SEWER REVENUE BONDS, DATED JUNE 1, 1963, OUTSTANDING ON THE DATE HEREOF.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Town kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Authority or the Alternate Payee or by his or her or its attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Authority or the Alternate Payee, as appropriate, or his or her or its attorney duly authorized in writing. Upon the transfer of this Bond, there shall be issued another fully registered Bond or fully registered Bonds of the aggregate principal amount equal to the unpaid principal amount of this Bond upon transfer hereof.

This Bond is exchangeable at the option and expense of the registered holder hereof for other fully registered Bonds in the denomination of $5,000 or any integral multiple thereof, in aggregate principal amount equal to the amount of this Bond then outstanding, with principal installments corresponding to the dates of payment of principal installments of this Bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange or any transfer.

BOWLEY BANK NOTE CO.—PLYMOUTH, MICH.

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

All money received from the sale of this Bond shall be applied solely to refunding the Note, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of the Bonds.

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

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

IN WITNESS WHEREOF, the said Town of New Haven, West Virginia has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Town Recorder, all as of the 27th day of October, 1982.

_____
Mayor

[SEAL]

ATTEST:

_____
Town Recorder

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$		

MIDWEST BANK NOTE CO.—PLYMOUTH, MICH.

SCHEDULE "A"

Principal Installments on which payments have been made prior to maturity

Principal Due Date	Principal Due Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$	$		

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer the said Bond on the books of the within-named Town with full power of substitution in the premises.

_____

Dated: _____

In the presence of: _____

MIDWEST BANK NOTE CO.—PLYMOUTH, MICH.

Resolution No. _____

Introduced in Council

October 25, 1982

Introduced by

Francis Taylor

Adopted by Council

October 25, 1982

A Resolution supplementing an ordinance entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holder of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of the Town of New Haven on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, and further amended and supplemented thereby on September 13, 1982; and providing for the date of initial deposits into the Sinking Fund on account of interest.

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

Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of the Town of New Haven (the "Town") on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, further supplemented thereby on June 14, 1982, and further amended and supplemented thereby on September 13, 1982 (collectively, the "Original Ordinance"), the Town authorized the issuance of its Subordinate Sewer Revenue Bonds, Series 1982, in the principal amount of $295,000, and its Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in the principal amount of $89,500; and

WHEREAS, words and phrases used in this Supplemental Resolution and not otherwise defined herein shall have the meanings respectively set forth in the Original Ordinance; and

WHEREAS, Subsection 4.01(A)(1) of the Original Ordinance provides that the Town shall, on the first day of each month, as set forth in the Supplemental Resolution, apportion and set apart out of the Prior Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund," certain amounts on account of interest on the Bonds; and

WHEREAS, it is necessary to set forth the date of initial deposits into the Sinking Fund on account of said interest;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA:

(1) That the initial deposit into the Sinking Fund on account of interest on the Bonds shall be made on the first day of November, 1982; and

(2) That this resolution shall take effect immediately upon this adoption.

Resolution No. _____

Introduced in Council

October 11, 1982

Introduced by

Francis Taylor

Adopted by Council

October 11, 1982

A Resolution finding that the Council of the Town of New Haven, West Virginia, adopted an ordinance on September 13, 1982, amending and supplementing an ordinance enacted by the Council of said Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982, which original ordinance authorized the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven and the financing of the cost, not otherwise provided, thereof through the issuance by said Town of $451,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, and the renewal thereof, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes as renewed, authorizing the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to refund a portion of such Sewer System Bond Anticipation Notes as renewed, directing the sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to the West Virginia Water Development Authority pursuant to the terms of a loan agreement, dated June 8, 1982, between said Water Development Authority and the Town of New Haven and setting forth certain terms and conditions of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in accordance with said loan agreement, all as more fully set out in said amendatory and supplemental ordinance; finding that the Council of the Town of New Haven adopted a resolution on September 13, 1982, directing that an abstract of said amendatory and supplemental ordinance, together with a notice that said amendatory and supplemental ordinance has been adopted, that

the Town of New Haven contemplates the issuance of the Subordinate Sewer Revenue Bonds, Series 1982, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1982, described in said original ordinance as amended and supplemented by said amendatory and supplemental ordinance and that any person interested may appear before the Council of the Town of New Haven upon a certain date and present protests, be published; finding that said abstract and notice have been duly published; finding that the Council of the Town of New Haven met and heard all objections and suggestions regarding whether said amendatory and supplemental ordinance should be put into effect; and ordering that said amendatory and supplemental ordinance be put into effect and the Subordinate Sewer Revenue Bonds, Series 1982, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1982, contemplated under said original ordinance as amended and supplemented by said amendatory and supplemental ordinance be issued.

WHEREAS, the Council of the Town of New Haven, West Virginia (the "Town"), on September 13, 1982, adopted an ordinance (the "Ordinance") amending and supplementing an ordinance enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982 (said ordinance enacted on July 8, 1980, as so amended and supplemented is hereinafter referred to as the "Original Ordinance"), which Original Ordinance authorized the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of $451,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, and the renewal thereof (as so renewed, the "Notes"), and the issuance by the Town of certain Subordinate Sewer Revenue Bonds to refund the Notes, authorizing the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982 (the "Local Bonds"), and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (the "Supplemental Bonds")(the Local Bonds and the Supplemental Bonds are hereinafter referred to collectively as the "1982 Bonds"), to refund a portion of the Notes, directing the sale of the 1982 Bonds to the West Virginia Water Development Authority (the "Authority") pursuant to the terms of a loan agreement, dated June 8, 1982, between the Authority and the Town (the

"Loan Agreement") and setting forth certain terms and conditions of the 1982 Bonds in accordance with the Loan Agreement, all as more fully set out in the Ordinance; and

WHEREAS, the Council of the Town, on September 13, 1982, adopted a resolution (the "Resolution") that, pursuant to Chapter 16, Article 13, Section 6, of the Code of West Virginia, 1931, as amended (the "Act"), directed the Town Recorder to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance has been adopted, that the Town contemplates the issuance of the 1982 Bonds described in the Original Ordinance as amended and supplemented by the Ordinance and that any person interested may appear before the Council of the Town upon a certain date and present protests (the "Notice"); and

WHEREAS, the Resolution required that the Abstract, together with the Notice, be published as a Class II legal advertisement in the Point Pleasant Register, and the first publication of such Abstract and Notice was to be not less than ten (10) days before the date set by the Resolution and the Notice at which interested persons might appear before the Council of the Town and present protests, and the last publication of such Abstract and Notice was to be prior to said date; and

WHEREAS, the Resolution and the Notice provided for a public hearing, at which said interested persons might appear, to be held in Council Chambers at Town Hall at seven o'clock (7:00) p.m. on Monday, October 11, 1982;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA:

(1) It is hereby found and determined:

(A) That the Abstract and Notice were duly published in the Point Pleasant Register, a newspaper of general circulation in the Town, with the first publication thereof being on September 21, 1982, which first publication date was not less than ten (10) days before the date set by the Resolution and the Notice at which interested persons might appear before the Council of the Town and present protests, and with the last publication thereof being on September 28, 1982, which last publication date was prior to said date, and a copy of the affidavit of publication reflecting

such publication shall be attached as Exhibit A hereto and incorporated herein;

(B) That, in accordance with the Resolution and the Notice, the Town Recorder has maintained in her office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) That, in Council Chambers on October 11, 1982, at seven o'clock (7:00) p.m., in accordance with the Resolution and the Notice, the Council of the Town met for the purpose of hearing all objections and suggestions regarding whether the Ordinance should be put into effect, and did hear all such objections and suggestions; and

(D) That, at said public hearing, no significant reasons were presented that could require modification or amendment of the Ordinance, and no written protest with regard thereto was filed by thirty percent (30%) or more of the owners of real estate situate in the Town.

(2) The Ordinance shall be put into effect as of the date hereof, and the 1982 Bonds contemplated under the Original Ordinance, as amended and supplemented by the Ordinance, shall be issued.

(3) This resolution shall be effective immediately upon its adoption.

Resolution No. _____

Introduced in Council

September 13, 1982

Introduced by

Sarah Libbs

Adopted by Council

September 13, 1982

A Resolution finding that an ordinance was adopted by the Council of the Town of New Haven, West Virginia, on September 13, 1982, amending and supplementing an ordinance enacted by the Council of said Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982, which original ordinance authorized the construction and acquisition of certain extensions, improvements and betterments to the municipal sewage system of the Town of New Haven and the financing of the cost, not otherwise provided, thereof through the issuance by said Town of $451,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, and the renewal thereof, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes as renewed, authorizing the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to refund a portion of such Sewer System Bond Anticipation Notes as renewed, directing the sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to the West Virginia Water Development Authority pursuant to the terms of a loan agreement, dated June 8, 1982, between said Water Development Authority and the Town of New Haven and setting forth certain terms and conditions of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in accordance with said loan agreement, all as more fully set out in said amendatory and supplemental ordinance; finding that an abstract of said amendatory and supplemental ordinance, together with a notice that said amendatory and supplemental ordinance has been adopted, that the Town of New Haven contemplates the issuance of the Subordinate Sewer Revenue Bonds, Series 1982, and the Supplemental Subordinate Sewer Revenue Bonds,

Series 1982, described in said original ordinance as amended and supplemented by said amendatory and supplemental ordinance and that any person interested may appear before the Council of the Town of New Haven upon a certain date and present protests, must be published; reviewing the abstract prepared by the Town Recorder and determining that such abstract contains sufficient information as to give notice of the contents of said amendatory and supplemental ordinance; and directing the publication of such abstract, together with said notice.

WHEREAS, the Council of the Town of New Haven, West Virginia (the "Town"), this day adopted an ordinance amending and supplementing an ordinance enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982 (the "Original Ordinance"), which Original Ordinance authorized the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980 (as renewed by the issuance and exchange therefor of the Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A, in the principal amount of $451,000, the "Notes"), and the issuance by the Town of certain Subordinate Sewer Revenue Bonds to refund the Notes, authorizing the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982, and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (collectively, the "1982 Bonds"), to refund a portion of the Notes, directing the sale of the 1982 Bonds to the West Virginia Water Development Authority (the "Authority") pursuant to the terms of a loan agreement, dated June 8, 1982, between the Authority and the Town (the "Loan Agreement") and setting forth certain terms and conditions of the 1982 Bonds in accordance with the Loan Agreement, all as more fully set out in said amendatory and supplemental ordinance (said amendatory and supplemental ordinance is hereinafter referred to as the "Ordinance"); and

WHEREAS, Chapter 16, Article 13, Section 6, of the Code of West Virginia, 1931, as amended (the "Act"), requires that an abstract of the Ordinance, together with a notice that the Ordinance has been adopted, that the Town contemplates

the issuance of the 1982 Bonds described in the Original Ordinance as amended and supplemented by the Ordinance and that any person interested may appear before the Council of the Town upon a certain date and present protests, be published; and

WHEREAS, the Act further requires that such abstract of the Ordinance be determined by the Council of the Town to contain sufficient information as to give notice of the contents of such Ordinance; and

WHEREAS, the Town Recorder presented to this meeting an abstract of the Ordinance (the "Abstract"), together with a notice as described above (the "Notice"), as hereinafter set forth; and

WHEREAS, the Council of the Town has reviewed the Abstract and has found and determined that such Abstract contains sufficient information as to give notice of the contents of the Ordinance;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA, AS FOLLOWS:

(1) It is hereby found and determined that the Ordinance was duly adopted by the Council of the Town at its regular meeting held on September 13, 1982, and that the Act requires the Abstract, together with the Notice, be published.

(2) The Abstract, together with the Notice, as prepared by the Town Recorder in the following form and substance:

> Notice is hereby given to any person interested that on September 13, 1982, the Council of the Town of New Haven, West Virginia (the "Town"), adopted an ordinance which
>
> 1. amends and supplements an ordinance enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982 (the "Original Ordinance"), which Original Ordinance authorized the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town and the financing of the costs, not otherwise provided, thereof through the issuance by the Town of

$451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980 (as renewed by the issuance and exchange therefor of the Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A, in the principal amount of $451,000, the "Notes"), and the issuance by the Town of certain Subordinate Sewer Revenue Bonds to refund the Notes;

2. authorizes the issuance of said Subordinate Sewer Revenue Bonds as two issues, being $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1982 (the "Local Bonds"), and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1982 (the "Supplemental Bonds") (the Local Bonds and the Supplemental Bonds are hereinafter referred to collectively as the "1982 Bonds"), to refund a portion of the Notes;

3. directs the sale of the 1982 Bonds to the West Virginia Water Development Authority (the "Authority") pursuant to the terms of a loan agreement, dated June 8, 1982, between the Authority and the Town (the "Loan Agreement");

4. sets forth the respective forms, amounts and dates of maturities, redemption provisions and other terms and conditions of the 1982 Bonds and the interest rates and interest payment dates of the Local Bonds, there being no interest on the Supplemental Bonds, all in accordance with the Loan Agreement;

5. provides that the Supplemental Bonds are subordinate as to lien and source of and security for payment to the Local Bonds, which are, in turn, subordinate to certain Sewer Revenue Bonds, dated June 1, 1963, of the Town; and

6. authorizes the payment of that portion of the Notes not refunded by the 1982 Bonds with available funds of the Town, not to exceed $70,000.

The Town contemplates the issuance of the 1982 Bonds described in, and under the conditions set forth in, the Original Ordinance as amended and supplemented by the Ordinance, abstracted above. Any person interested may appear before

the Council of the Town of New Haven at a meeting thereof at seven o'clock (7:00) p.m. on Monday, October 11, 1982, in Council Chambers at Town Hall, New Haven, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance, as adopted by the Council of the Town on September 13, 1982, is on file in the office of the Town Recorder for review by interested persons during the regular office hours of such office, to-wit: nine o'clock (9:00) a.m. to four o'clock (4:00) p.m., Mondays through Fridays.

_____
Recorder of the Town of
New Haven, West Virginia

contains sufficient information as to give notice of the contents of the Ordinance.

(3) The Town Recorder, as provided in the Notice, shall maintain in her office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office.

(4) The Council of the Town, as provided in the Notice, shall meet on October 11, 1982, at seven o'clock (7:00) p.m. in Council Chambers at Town Hall for the purpose of hearing all objections and suggestions regarding whether the Ordinance shall be put into effect.

(5) The Town Recorder is hereby authorized and directed to cause the Abstract, together with the Notice, to be published as a Class II legal advertisement in the Point Pleasant Register, a newspaper of general circulation in the Town, and the first publication of such Abstract and Notice shall be not less than ten (10) days before the date set aforesaid at which interested persons may appear before the Council of the Town and present protests, and the last publication of such Abstract and Notice shall be prior to said date set aforesaid.

(6) At such hearing, all objections and suggestions shall be heard, and the Council of the Town shall take such actions as it shall deem proper in the premises; provided, however, that, if at such hearing written protest is filed

by thirty percent (30%) or more of the owners of real estate situate in the Town, then the Council of the Town shall not take further action unless four-fifths (4/5) of the qualified members of said Council assent thereto.

(7) This resolution shall take effect immediately upon adoption.

AMENDATORY AND SUPPLEMENTAL ORDINANCE

Introduced in Council

August 30, 1982

Referred to

Introduced by

JACK HESSON

Passed by Council

September 13, 1982

An Ordinance amending and supplementing an ordinance entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of the Town of New Haven on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982; authorizing the issuance of said Subordinate Sewer Revenue Bonds as Subordinate Sewer Revenue Bonds, designated Series 1982, in the aggregate principal amount of $295,000, and Supplemental Subordinate Sewer Revenue Bonds, designated Series 1982, in the aggregate principal amount of $89,500; directing the sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, to the West Virginia Water Development Authority pursuant to the terms of a loan agreement, dated June 8, 1982, between said Water Development Authority and the Town of New Haven; setting forth certain terms and conditions of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in accordance with said Loan Agreement; and providing for certain other matters in connection with the authorization, issuance and sale of such Subordinate Sewer Revenue Bonds, Series 1982, and such Supplemental Subordinate Sewer Revenue Bonds, Series 1982, all in accordance with said Loan Agreement.

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

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. Except as hereinafter set forth or as otherwise required by the context hereof, the terms used in this Amendatory Ordinance shall have the respective meanings given them by the Original Ordinance, as hereinafter defined, as amended hereby.

A. "Amendatory Ordinance" means this ordinance, as from time to time amended or supplemented.

B. "Loan Agreement" means that certain loan agreement, dated June 8, 1982, between the Authority and the Town, a copy of which is attached as Exhibit A hereto and incorporated herein by reference, the form and execution of which Loan Agreement were approved by a Supplemental Resolution adopted by the Council of the Town on June 8, 1982.

C. "Original Ordinance" means the ordinance entitled

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

enacted by the Council of the Town on July 8, 1980, amended thereby on July 22, 1980, supplemented thereby on August 4, 1980, further supplemented and amended thereby on July 28, 1981, further supplemented and amended thereby on June 8, 1982, and further supplemented thereby on June 14, 1982, which is further amended and supplemented by this Amendatory Ordinance.

Section 1.02. Authority of This Amendatory Ordinance. This Amendatory Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law and in accordance with Section 4.1 of the Loan Agreement and is amendatory of and supplemental to the Original Ordinance.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. By the Original Ordinance, the Town authorized, among other things, the issuance and sale to the Authority of certain Subordinate Sewer Revenue Bonds for the purpose of refunding the Notes.

B. Pursuant to the Loan Agreement, the Town has agreed to issue and sell, and the Authority has agreed to purchase, $295,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds and $89,500 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds.

C. It is in the best interests of the Town, and the inhabitants thereof, that the Original Ordinance be amended to authorize the issuance of the Town's Subordinate Sewer Revenue Bonds as two separate issues of Subordinate Sewer Revenue Bonds, in the aggregate principal amount of $295,000, and Supplemental Subordinate Sewer Revenue Bonds, in the aggregate principal amount of $89,500.

D. It is in the best interests of the Town, and the inhabitants thereof, to set forth certain terms and conditions of said Subordinate Sewer Revenue Bonds and said Supplemental Subordinate Sewer Revenue Bonds and to provide for certain other matters in connection with the authorization, issuance and sale of said Subordinate Sewer Revenue Bonds and said Supplemental Subordinate Sewer Revenue Bonds, all in accordance with the Loan Agreement.

ARTICLE II

AMENDMENTS TO THE ORIGINAL ORDINANCE

Section 2.01. Amendments to Article I of the Original Ordinance. Article I of the Original Ordinance shall be amended as follows:

A. Subsection 1.02(B) of the Original Ordinance is hereby amended and reenacted to read as follows:

> B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the Town that there be constructed certain additions, betterments and improvements to the System (the "Project") at an estimated cost of $2,248,352 in accordance with the plans and specifications prepared by VTN, Inc., Consulting Engineers, Charleston, West Virginia, which plans and specifications have heretofore been filed in the office of the Town Recorder.

B. Subsection 1.03(C) of the Original Ordinance is hereby amended and reenacted to read as follows:

C. The Sanitary Board has filed a petition with the Council of the Town, which petition requests that Council enact an ordinance that shall, among other things, provide for the issuance of bond anticipation notes of the Town to finance the cost of construction and acquisition of the Project and of sewer revenue bonds to refund said bond anticipation notes.

C. Subsection 1.02(D) of the Original Ordinance is hereby amended and reenacted to read as follows:

D. The Sewer System Bond Anticipation Notes, the Subordinate Sewer Revenue Bonds and the Supplemental Subordinate Sewer Revenue Bonds issued pursuant to this Ordinanace are junior, subordinate and inferior as to source of payment and security and in all other respect to the Town's Sewer Revenue Bonds, dated June 1, 1963 (the "Prior Bonds"), issued in the aggregate principal amount of $140,000, certain of which Prior Bonds are outstanding on the date of enactment of this Ordinance; provided, however, that the holder or holders of the Sewer System Bond Anticipation Notes shall have a first lien on the proceeds of the Subordinate Sewer Revenue Bonds and the Supplemental Subordinate Sewer Revenue Bonds to be issued pursuant to this Ordinance; and provided, further, that the Supplemental Subordinate Sewer Revenue Bonds to be issued pursuant to this Ordinance shall be junior, subordinate and inferior as to source of payment and security and in all other respects to the Subordinate Sewer Revenue Bonds to be issued pursuant to this Ordinance. Additional bonds on a parity with the Subordinate Sewer Revenue Bonds may be issued upon compliance with the terms and conditions of this Ordinance, but no further obligations having priority over the Sewer System Bond Anticipation Notes or the Subordinate Sewer Revenue Bonds may henceforth be issued by the Town.

The estimated revenues to be derived in each year after the enactment of this Ordinance from the operation of said System will be sufficient to pay all costs of the operation and maintenance of said System, the principal of and interest on the Prior Bonds and the Subordinate Sewer Revenue Bonds authorized to be issued pursuant to this Ordinance, the principal of the Supplemental Subordinate Sewer Revenue Bonds authorized to be issued pursuant to this Ordinance and all Sinking Fund, Reserve Account and other payments provided for in this Ordinance and in the ordinance authorizing the issuance of the Prior Bonds (the "Prior Ordinance").

D. Subsection 1.02(E) of the Original Ordinance is hereby amended and reenacted to read as follows:

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

E. Subsection 1.02(F) of the Original Ordinance is hereby amended and reenacted to read as follows:

> F. It is deemed necessary for the Town to issue its Subordinate Sewer Revenue Bonds in the aggregate principal amount of $295,000 and its Supplemental Subordinate Sewer Revenue Bonds in the aggregate principal amount of $89,500, for the purpose of refunding a portion of the Sewer System Bond Anticipation Notes of the Town and paying certain costs of issuance and related costs.

F. Subsection 1.02(G) of the Original Ordinance is hereby amended and reenacted to read as follows:

> G. It is in the best interests of the Town that its Subordinate Sewer Revenue Bonds and its Supplemental Subordinate Sewer Revenue Bonds be sold to the

Authority pursuant to the terms and provisions of the loan agreement, dated June 8, 1982, entered into between the Town and the Authority, which agreement is attached to this Ordinance as Exhibit A and by this reference is incorporated herein and made a part hereof (the "Loan Agreement").

G. Section 1.03 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Sewer System Bond Anticipation Notes, the Subordinate Sewer Revenue Bonds and the Supplemental Subordinate Sewer Revenue Bonds authorized to be issued hereunder by those who shall respectively hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Town and such noteholders or bondholders, and the covenants and agreements herein set forth to be performed by said Town shall be for the equal benefit, protection and security of the legal holders of any and all of such Sewer System Bond Anticipation Notes, Subordinate Sewer Revenue Bonds or Supplemental Subordinate Sewer Revenue Bonds, as the case may be, issued hereunder, and the coupons appertaining to such Sewer System Bond Anticipation Notes or Subordinate Sewer Revenue Bonds, as the case may be, all of which shall respectively be of equal rank and without preference, priority or distinction between any one Sewer System Bond Anticipation Note and the coupons thereon and any other Sewer System Bond Anticipation Notes and the coupons thereon, between any one Subordinate Sewer Revenue Bond and the coupons thereon and any other Subordinate Sewer Revenue Bonds and the coupons thereon or between any one Supplemental Subordinate Sewer Revenue Bond and any other Supplemental Subordinate Sewer Revenue Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein and except that said Supplemental Subordinate Sewer Revenue Bonds shall be junior and subordinate as to lien and source of and security for payment to said Subordinate Sewer Revenue Bonds.

H. Subsection 1.04(B) of the Original Ordinance is hereby amended and reenacted to read as follows:

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

Virginia that succeeds to the functions of the Authority.

I. Subsection 1.04(C) of the Original Ordinance is hereby amended and reenacted to read as follows:

C. "Bonds" shall mean the Subordinate Sewer Revenue Bonds, Series 1982, in the aggregate principal amount of $295,000, originally authorized to be issued pursuant to this Ordinance, and any pari passu additional bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance, and, where applicable, the interest coupons appertaining to said Bonds.

J. Section 1.04(D) of the Original Ordinance is hereby amended and reenacted to read as follows:

D. "Bondholder" or "Holder" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds which shall at the time be registered other than to the bearer, or the bearer or owner of any coupons representing interest accrued or to accrue on said Bonds, or the registered owner of any outstanding Supplemental Bond or Supplemental Bonds, as hereinafter defined, as the case may be, or both, as required by the context in which the term is used in this Ordinance.

K. Subsection 1.04(I) of the Original Ordinance is hereby amended and reenacted to read as follows:

I. "Gross Revenues" shall mean all rates, rents, fees, charges or other income received by or accrued to the Town from the operation of the System, as calculated in accordance with generally accepted accounting practices.

L. Subsection 1.04(K) of the Original Ordinance is hereby amended and reenacted to read as follows:

K. "Loan Agreement" shall mean the loan agreement, dated June 8, 1982, between the Town and the Authority, a copy of which is attached as Exhibit A hereto and incorporated by reference herein.

M. Subsection 1.04(L) of the Original Ordinance is hereby amended and reenacted to read as follows:

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

this Ordinance, and any renewal thereof pursuant to Section 7.01 hereof.

N. Subsection 1.04(O) of the Original Ordinance is hereby amended and reenacted to read as follows:

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

O. Subsections 1.04(R) through 1.04(W) of the Original Ordinance hereby are amended by adding thereto three (3) new subsections and by renumbering said subsections as Subsections 1.04(R) through 1.04(Z) and are further amended and reenacted to read as follows:

R. "Qualified Investments" shall mean and include any of the following:

(a) Direct obligations of, or obligations the timely payment of the principal of and interest on which are guaranteed by, the United States of America ("Government Obligations");

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Federal Farm Credit Bank; Export-Import Bank of the United States; Federal Land Banks or the Government National Mortgage Association;

(c) Public housing bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract with the United States of America; temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(d) Any bond, debenture, note, participation certificate or other similar obligation issued by the

Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the Federal Deposit Insurance Corporation ("FDIC") or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations; and

(f) Repurchase agreements, fully secured by Government Obligations, with banks or national banking associations which are members of FDIC or government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York.

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

T. "Supplemental Bonds" shall mean the Supplemental Subordinate Sewer Revenue Bonds, Series 1982, in the aggregate principal amount of $89,500, originally authorized to be issued pursuant to this Ordinance.

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

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

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

X. "WDA Bonds" shall mean, collectively, the Bonds originally authorized hereby in the aggregate principal amount of $295,000, and the Supplemental Bonds, originally authorized hereby in the aggregate principal amount of $89,500.

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

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

Section 2.02. Amendments to Article III of the Original Ordinance. Article III of the Original Ordinance shall be amended as follows:

A. The title of Article III is hereby amended and reenacted to read as follows: "AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS AND SUPPLEMENTAL BONDS; LOAN AGREEMENT."

B. Section 3.01 of the Original Ordinance is hereby amended and reenacted to read as follows:

3.01. Authorization and Terms of Bonds and Supplemental Bonds. For the purpose of refunding a portion of the Notes (and paying certain costs of issuance and related costs) there shall be issued negotiable Subordinate Sewer Revenue Bonds of the Town, designated "Subordinate Sewer Revenue Bonds, Series 1982," in the aggregate principal amount of $295,000, and negotiable Supplemental Subordinate Sewer Revenue Bonds of the Town, designated "Supplemental Subordinate Sewer Revenue Bonds, Series 1982," in the aggregate principal amount of $89,500. The Bonds originally authorized hereby shall constitute the "Local Bonds" under the Loan Agreement, shall be dated as of the date of delivery to the Authority and shall be payable in principal installments in such amounts and on such dates and bear interest on such principal installments at such rates and payable on such dates as are prescribed by the Loan Agreement. Said Bonds originally authorized hereby shall be redeemable only as provided by Section 4.7 of the Loan Agreement. If all or a part of such Bonds are redeemed while any of the Authority's West Virginia

Water Development Authority Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "Authority's 1982 Series A Bonds"), is outstanding, the redemption price of such Bonds shall equal the aggregate of (i) the corresponding principal amount of the Authority's 1982 Series A Bonds to be redeemed by the Authority as a consequence of the redemption by the Town of all or a part of such Bonds outstanding, (ii) the interest to accrue on the Authority's 1982 Series A Bonds so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the Authority's 1982 Series A Bonds so to be redeemed, (iv) the applicable premium, if any, payable on additional Authority's 1982 Series A Bonds which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the Authority's 1982 Series A Bonds so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional Authority's 1982 Series A Bonds so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the Authority's 1982 Series A Bonds have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such Authority's 1982 Series A Bonds remaining unpaid at the date of issuance of such refunding bonds, the Town shall be obligated to pay under item (i), above, the principal amount of such refunding bonds outstanding; and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the Authority's 1982 Series A Bonds, the Town shall be obligated to pay under item (ii), above, the amount of interest to accrue on such outstanding refunding bonds of the Authority.

The Supplemental Bonds shall constitute the "Supplemental Bonds" under the Loan Agreement, shall be dated as of the date of delivery to the Authority, shall not bear interest and shall be payable in principal installments in such amounts and on such dates as are prescribed by the Loan Agreement. The Supplemental Bonds shall be redeemable only as provided by Section 4.7 of the Loan Agreement.

The Bonds shall be payable as to both principal and interest, and the Supplemental Bonds shall be payable as to principal, at the office of the Commission, through a paying agent or agents selected by the original purchaser or purchasers thereof, in any coin or currency that is legal tender for the payment of

public or private debts under the laws of the United States of America.

The WDA Bonds shall be issued in the form of two (2) single bonds, each fully registered to the Authority, one such bond representing the Bonds originally authorized hereby and the other such bond representing the Supplemental Bonds. Each such WDA Bond shall be in the denomination representing the aggregate principal amount of the Bonds originally authorized hereby or the Supplemental Bonds, as the case may be, and shall mature in principal installments as set forth above. Said WDA Bonds shall each be exchangeable at the option and expense of the Holder for other fully registered bonds in the denomination of $5,000 or any integral multiple thereof, and the Bond originally authorized hereby shall also be so exchangeable for coupon Bonds in the denomination of $5,000 each, with appropriate interest coupons for interest due and unpaid or to come due attached, in either case with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said WDA Bond exchanged; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds may be issued as coupon Bonds, registrable as to principal only, in the denomination of $5,000 each, or as fully registered Bonds or one fully registered Bond, with payment records or record attached, in the denomination of $5,000 or any integral multiple thereof. The coupon Bonds shall be dated as of the date specified in the Supplemental Resolution authorizing such coupon Bonds, or the sale thereof, and shall bear interest from their date, payable in accordance with, and upon surrender of, the appurtenant interest coupons as they severally mature. The registered Bonds shall be dated as of the date of their delivery to the original purchaser or purchasers thereof and shall bear interest from such date.

Except as otherwise provided in Section 3.04, before the delivery of any coupon Bonds, all matured coupons thereto attached, except matured coupons for which payment in full has not been provided, shall be cut off, cancelled and destroyed; provided, that if the coupon Bonds are issued in exchange for registered Bonds or a registered Bond upon which interest is in default, as shown by the records of the Treasurer of the State of West Virginia, such coupon Bonds shall have attached thereto all coupons maturing after the date to which interest has been paid in full, as shown

by such records, and in case any interest installments have been paid in part, appropriate notation shall be made on the coupons to evidence such fact.

C. Section 3.02 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 3.02. Execution of Bonds and Coupons and Supplemental Bonds. Said Bonds and Supplemental Bonds shall be executed in the name of the Town by the Mayor, and the seal of the Town shall be affixed thereto or imprinted thereon and attested by the Town Recorder. In case any one or more of the officers who shall have signed or sealed any of the Bonds or the Supplemental Bonds, as the case may be, shall cease to be such officer of the Town before the Bonds or the Supplemental Bonds, as the case may be, so signed and sealed have been actually sold and delivered, such Bonds or Supplemental Bonds, as the case may be, may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds or Supplemental Bonds, as the case may be, had not ceased to hold such office. Any Bonds or Supplemental Bonds, as the case may be, may be signed and sealed on behalf of the Town by such person as at the actual time of the executien of such Bonds or Supplemental Bonds, as the case may be, shall hold the proper office of the Town, although at the date of such Bonds or Supplemental Bonds, as the case may be, such person may not have held such office or may not have been so authorized.

Any coupons to be attached to the Bonds shall be authenticated with the manual or facsimile signature of the present or future Mayor and Town Recorder of the Town.

D. Section 3.03 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 3.03. Negotiability, Transfer and Registration. The Bonds and the Supplemental Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds or the coupons appertaining thereto or any of said Supplemental Bonds, as the case may be, shall be conclusively deemed to have agreed that such Bonds or Supplemental Bonds, as the case may be, shall be and have all of the qualities and incidents of negotible instruments under the Uniform Commercial Code of the State of West

Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds or Supplemental Bonds, as the case may be, shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds or Supplemental Bonds, as the case may be.

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

Unless otherwise provided by the Supplemental Resolution, at the option of the Holder, coupon Bonds may be exchanged for registered Bonds having maturities of principal installments identical to the maturities of the coupon Bonds being exchanged therefor.

A registered Bond or Supplemental Bond shall be transferable only upon the books of the Town, which shall be kept for that purpose at the office of the aforesaid Treasurer, by the registered owner thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia duly executed by the registered owner or his or her duly authorized attorney. Upon exchange or transfer of a registered Bond or of a Supplemental Bond, as the case may be, there shall be issued another registered Bond or Supplemental Bond, as the case may be, or registered Bonds or Supplemental Bonds, as the case may be, of

the aggregate principal amount equal to the unpaid amount of the transferred registered Bond or Supplemental Bond, as the case may be, or, with respect to the registered Bond, at the option of the Holder or the transferee, coupon Bonds with appropriate coupons attached, of the aggregate principal amount equal to the unpaid principal amount of such registered Bond, in either case having principal installments or maturities, as applicable, corresponding to the principal installments of such registered Bond or Supplemental Bond then unpaid.

In all cases in which the privilege of exchanging Bonds or Supplemental Bonds, as the case may be, or transferring a registered Bond or Supplemental Bond, as the case may be, is exercised, Bonds or Supplemental Bonds, as the case may be, shall be delivered in accordance with the provisions of this Ordinance. All Bonds and coupons and all Supplemental Bonds, as the case may be, surrendered in any such exchanges or transfers shall forthwith be cancelled by the Treasurer of the State of West Virginia; provided, however, that said Treasurer may hold coupon Bonds until the maturity thereof for use in future exchanges. For every such exchange or transfer of Bonds or Supplemental Bonds, as the case may be, the Treasurer of the State of West Virginia may make a charge sufficient to reimburse his or her office for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new coupon Bond or each new registered Bond or Supplemental Bond, as the case may be, upon each exchange or transfer, and any other expenses of said Treasurer incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer; provided, however, the Authority shall not be obligated to pay any such sum or sums as a condition precedent. The Treasurer shall not be obliged to make any exchange or transfer or Bonds during the ten (10) days preceding any interest payment date on the Bonds or, in the case of any proposed redemption of Bonds or Supplemental Bonds, as the case may be, said Treasurer shall not be obliged to make any such exchange or transfer of Bonds or Supplemental Bonds, as the case may be, next preceding the date of the selection of Bonds or Supplemental Bonds, as the case may be, to be redeemed.

E. Section 3.04 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 3.04. Bonds or Supplemental Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond or Supplemental Bond, as the case may be, shall become mutilated or be destroyed, stolen or lost, the Town may in its discretion issue and deliver a new Bond with all unmatured coupons, if any, or a new Supplemental Bond, as the case may be, so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond or Supplemental Bond, as the case may be, upon surrender and cancellation of such mutilated Bond, and attached coupons, if any, or such mutilated Supplemental Bond, as the case may be, or in lieu of and substitution for the Bond and coupons, if any, or the Supplemental Bond, as the case may be, destroyed, stolen or lost and upon the Holder's furnishing the Town proof of his or her ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Town may prescribe and paying such expenses as the Town may incur. All Bonds and coupons or Supplemental Bonds, as the case may be, so surrendered shall be cancelled by the Town Recorder and held for the account of the Town.

If such Bond or coupons or such Supplemental Bond, as the case may be, shall have matured or be about to mature, instead of issuing a substitute Bond or coupon or Supplemental Bond, as the case may be, the Town may pay the same, upon being indemnified as aforesaid, and if such Bond or coupons or such Supplemental Bond, as the case may be, be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Bond and coupons or Supplemental Bond, as the case may be, issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Town, whether or not the lost, stolen or destroyed Bond or coupons or Supplemental Bond, as the case may be, be at any time found by any one, and such duplicate Bond and coupons shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the revenues pledged herein with all other Bonds and coupons issued hereunder, and such duplicate Supplemental Bond shall be entitled to equal and proportional benefits and rights as to lien and source of and security for payment from the revenues pledged herein with all other Supplemental Bonds issued hereunder.

F. Section 3.05 of the Original Ordinance is hereby amended and reenacted to read as follows:

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

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SUBORDINATE SEWER REVENUE BOND, SERIES 1982

No. R-1 $295,000

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or its registered assigns (the "Alternate Payee"), on the first day of October of the years and in the principal installments specified below, the aggregate sum of Two Hundred Ninety-five Thousand Dollars ($295,000) and solely from such special funds also to pay interest on said sum from the date hereof at the rate for each such principal installment specified below on the first day of April and the first day of October in each year beginning _____ 1, 19__, both principal of and interest on this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through _____, _____, West Virginia, or at the option of the holder at the [principal] office of _____, _____, _____.

Year	Principal Installment	Interest Rate
2004	$ 5,000	12.00%
2005	10,000	12.00
2006	10,000	12.00
2007	10,000	12.00
2008	10,000	12.00

Year	Principal Installment	Interest Rate
2009	15,000	12.00
2010	15,000	12.00
2011	15,000	12.00
2012	20,000	12.00
2013	20,000	10.00
2014	20,000	10.00
2015	25,000	10.00
2016	25,000	10.00
2017	30,000	10.00
2018	30,000	10.00
2019	35,000	10.00

This Bond is subject to redemption prior to its stated date of maturity only with the written consent of the Authority, so long as it is the registered owner hereof, and, so long as any of the Authority's bonds issued with respect to this Bond are outstanding, any redemption of this Bond authorized by the Authority must provide for a redemption price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Town of all or a part of this Bond, (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv) the applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Town shall be obligated to pay under item (i), above, the principal amount of such refunding bonds outstanding; and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the bonds of the Authority, the Town shall be obligated to pay under item (ii), above, the amount of interest to accrue on such outstanding refunding bonds of the Authority.

This Bond represents the aggregate principal amount, being $295,000, of an authorized issue of Bonds (the "Bonds") issued to refund a portion of certain renewed sewer system bond anticipation notes of the Town (the

"Note"), the original of which Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system (the "System") of the Town, and to pay certain costs of issuance and related costs. The remainder of the Note is being refunded with the proceeds of $89,500 in aggregate principal amount of supplemental subordinate sewer revenue bonds issued contemporaneously herewith (the "Supplemental Bonds") and with certain other available funds of the Town. This Bond is authorized under and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Town Council of the Town on the 8th day of July, 1980, as amended thereby on the 22nd day of July, 1980, as supplemented thereby on the 4th day of August, 1980, as further supplemented and amended thereby on the 28th day of July, 1981, as further supplemented and amended thereby on the 8th day of June, 1982, as further supplemented thereby on the 14th day of June, 1982, and as further amended and supplemented thereby on the day of _____, 19__ (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. In addition to authorizing the Supplemental Bonds, the Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

The Bonds are payable only from and secured by the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town, which net revenues shall be sufficient to pay the principal of, and interest on, all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same or the interest hereon except from said special fund provided from the net revenues from the operation of said System. By the Ordinance, the Town has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of said System and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations, including the Bonds and the Supplemental Bonds, payable from such revenues. The Town has entered into certain further covenants with the

holders of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the holders of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

THE BONDS ARE JUNIOR, SUBORDINATE AND INFERIOR AS TO SOURCE OF PAYMENT AND SECURITY AND IN ALL OTHER RESPECTS TO $_____ IN PRINCIPAL AMOUNT OF THE TOWN'S SEWER REVENUE BONDS, DATED JUNE 1, 1963, OUTSTANDING ON THE DATE HEREOF.

Additional pari passu bonds may be issued upon compliance with the terms and conditions of the Ordinance, but no further obligations having priority over the Bonds may henceforth be issued by the Town.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Town kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Authority or the Alternate Payee or by his or her or its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Authority or the Alternate Payee, as appropriate, or his or her or its attorney duly authorized in writing. Upon the transfer of this Bond, there shall be issued at the option of the registered holder or the transferee coupon Bonds, with appropriate coupons attached, of the aggregate principal amount equal to the unpaid principal amount of this Bond, and having maturities corresponding to the principal installments of this Bond then unpaid, or another fully registered Bond or fully registered Bonds of the aggregate principal amount equal to the unpaid principal amount of this Bond upon transfer hereof.

This Bond is exchangeable at the option and expense of the registered holder hereof for other fully registered Bonds in the denomination of $5,000 or any integral multiple thereof or for coupon Bonds in the denomination of $5,000 each, in aggregate principal amount equal to the amount of this Bond then outstanding, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of this Bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange or any transfer. The coupon Bonds for which this Bond is exchanged shall have appropriate interest coupons for interest due and unpaid or to come due attached.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced or obligations incurred in connection with the issuance hereof and the refunding of the Note, as provided by law and the Ordinance, shall be applied solely to refunding the Note, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of the Bonds.

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

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

IN WITNESS WHEREOF, the said Town of New Haven, West Virginia, has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Town Recorder, all as of the ___ day of _____, 19__.

_____
Mayor

[SEAL]

ATTEST:

_____
Town Recorder

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment (%)	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$			

SCHEDULE "A"

Principal Installments on which payments have been made prior to maturity

Principal Due Date	Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$	$		

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer the said Bond on the books of the within-named Town with full power of substitution in the premises.

_____

Dated: _____

In the presence of: _____

G. Article III of the Original Ordinance hereby is amended by adding thereto the following new Section 3.06 and by renumbering Section 3.06 of the Original Ordinance as Section 3.07 and is reenacted as so amended:

Section 3.06. Form of Supplemental Bond. The text of the Supplemental Bond originally issued pursuant to this Ordinance shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance, the Supplemental Resolution or any subsequent resolution or ordinance adopted prior to the issuance thereof.

[Form of Supplemental Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SUPPLEMENTAL SUBORDINATE SEWER REVENUE BOND,
SERIES 1982

No. S-1 $89,500

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or its registered assigns (the "Alternate Payee"), in principal installments of $2,418.92 payable on October 1 of each of the years from 1983 through 2019, inclusive, the aggregate sum of Eighty-nine Thousand Five Hundred Dollars ($89,500) in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through _____, _____, West Virginia, or at the option of the holder at the [principal] office of _____, _____, _____.

This Bond is subject to redemption prior to its stated date of maturity only with the written consent of the Authority, so long as it is the registered owner hereof.

This Bond represents the aggregate principal amount, being $89,500, of an authorized issue of Bonds (the "Bonds") issued to refund a portion of certain renewed sewer system bond anticipation notes of the Town (the "Note"), the original of which Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements to the municipal sewage system (the "System") of the Town, and to pay certain costs of issuance and related costs. The remainder of the Note is being refunded with the proceeds of $295,000 in aggregate principal amount of subordinate sewer revenue bonds issued contemporaneously herewith (the "Second Lien Bonds") and with certain other available funds of the Town. This Bond is authorized under and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Town Council of the Town on the 8th day of July, 1980, as amended thereby on the 22nd day of July, 1980, as supplemented thereby on the 4th day of August, 1980, as further supplemented and amended thereby on the 28th day of July, 1981, as further supplemented and amended thereby on the 8th day of June, 1982, as further supplemented thereby on the 14th day of June, 1982, and as further amended and supplemented thereby on the ____ day of _____, 19__ (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. In addition to authorizing the Second Lien Bonds, the Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured prior to the Bonds and equally and ratably from and by the funds and revenues and other security provided for the Second Lien Bonds under the Ordinance.

The Bonds are payable only from and secured by the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town, which net revenues shall be sufficient to pay the principal of, and interest on, all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same except from said special fund provided from the net revenues from the operation of said System. By the Ordinance, the Town has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of said System and to leave a balance each year equal to at least 130% of the

amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations, including the Second Lien Bonds and the Bonds, payable from such revenues. Notwithstanding any of the foregoing, the lien on, pledge of and security for payment of the Bonds from such revenues are junior and subordinate to the lien on, pledge of and security for payment from such revenues created by the Ordinance on behalf of the Second Lien Bonds. The Town has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to said Ordinance. Remedies provided the holders of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

THE BONDS ARE THIRD LIEN OBLIGATIONS OF THE TOWN. BOTH THE BONDS AND THE SECOND LIEN BONDS ARE JUNIOR, SUBORDINATE AND INFERIOR AS TO SOURCE OF PAYMENT AND SECURITY AND IN ALL OTHER RESPECTS TO $_____ IN PRINCIPAL AMOUNT OF THE TOWN'S SEWER REVENUE BONDS, DATED JUNE 1, 1963, OUTSTANDING ON THE DATE HEREOF.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Town kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Authority or the Alternate Payee or by his or her or its attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Authority or the Alternate Payee, as appropriate, or his or her or its attorney duly authorized in writing. Upon the transfer of this Bond, there shall be issued another fully registered Bond or fully registered Bonds of the aggregate principal amount equal to the unpaid principal amount of this Bond upon transfer hereof.

This Bond is exchangeable at the option and expense of the registered holder hereof for other fully registered Bonds in the denomination of $5,000 or any integral multiple thereof, in aggregate principal amount equal to the amount of this Bond then outstanding, with principal installments corresponding to the dates of payment of principal installments of this Bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange or any transfer.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced or obligations incurred in connection with the issuance hereof and the refunding of the Note, as provided by law and the Ordinance, shall be applied solely to refunding the Note, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of the Bonds.

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

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

IN WITNESS WHEREOF, the said Town of New Haven, West Virginia has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Town Recorder, all as of the __ day of _____, 19__.

_____
Mayor

[SEAL]

ATTEST:

_____
Town Recorder

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$		

SCHEDULE "A"

Principal Installments on which payments have been made prior to maturity

Principal Due Date	Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent, Authorized Officer and Title
	$	$	$		

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer the said Bond on the books of the within-named Town with full power of substitution in the premises.

_____

Dated: _____

In the presence of: _____

H. Section 3.07, formerly Section 3.06, of the Original Ordinance is hereby amended and reenacted to read as follows:

3.07. Sale of WDA Bonds Pursuant to Loan Agreement. The WDA Bonds are hereby authorized to be, and shall be, sold to the Authority pursuant to the terms and conditions of the Loan Agreement.

Section 2.03. Amendments to Article IV of the Original Ordinance. Article IV of the Original Ordinance shall be amended as follows:

A. The title of Article IV is hereby amended and reenacted to read as follows: "SECURITY OF BONDS AND SUPPLEMENTAL BONDS."

B. Section 4.01 of the Original Ordinance is hereby amended and reenacted to read as follows:

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

(A)(1) From the moneys in the Prior Fund, the Town shall, on the first day of each month, as set forth in the Supplemental Resolution, apportion and set apart out of the Prior Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund," which is hereby created and established, a sum equal to one-sixth (1/6) of the amount of interest which will become due on said Bonds on the next ensuing semiannual interest payment date; provided, however, that in the event that the period to elapse between said initial payment date and the next semiannual interest payment date is less than seven (7) months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest maturing on such date.

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

The Town shall also apportion and set apart out of the Prior Fund and remit to the Commission for deposit in said Sinking Fund, on the first day of each month, beginning on the first day of that month which is thirteen (13) months prior to the first principal payment date of said Bonds, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on said Bonds on the next ensuing principal payment date.

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

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

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

Moneys in the Reserve Account shall be used only for the purpose of payment of maturing principal of and interest on the Bonds when other moneys in the Sinking Fund are insufficient therefor and for no other purpose.

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

The Town shall not be required to make any further payments into said Sinking Fund or into the Reserve Account in said Sinking Fund when the

aggregate amount of funds in both said Sinking Fund and said Reserve Account are at least equal to the aggregate principal amount of Bonds issued pursuant to this Ordinance then outstanding, plus the amount of interest due or thereafter to become due on said Bonds then outstanding.

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

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

Said Sinking Fund shall be used solely and only and is hereby pledged for the purpose of servicing the Bonds originally authorized hereby and any additional Bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions hereinafter set forth.

(B) Thereafter, from the moneys remaining in said Prior Fund, the Town shall next, on the first day of each month commencing with the first month in which interest shall be first payable from the Prior Fund, remit to a bank which is eligible under the laws of West Virginia to receive deposits of state and municipal funds for deposit in a special account to be designated the "Renewal and Replacement Fund," which fund is hereby established and created, a sum equal to two and one-half percent (2-1/2%) of the Gross Revenues each month, exclusive of any payments for account of the Reserve Account in the Sinking Fund. All funds in said Renewal and Replacement Fund shall be kept apart from all other funds of the Town or said bank, and all or any part of said fund may be and, to the fullest extent possible under applicable law and the need for

such funds for the purposes set forth in this section shall be, invested in Qualified Investments maturing or being subject to retirement at the option of the holder within not more than ten (10) years from the date of such investment. Withdrawals and disbursements may be made from said Renewal and Replacement Fund for replacements, emergency repairs, additions, betterments or improvements to the System; provided, however, that any deficiency in the Reserve Account (except to the extent such deficiency exists because the required payments into such Account have not, as of the date of determination of a deficiency, funded such Account to the maximum extent required by Section 4.01(A)(2)), shall be promptly eliminated with moneys from the Renewal and Replacement Fund in amounts sufficient to eliminate such deficiency.

(C) Whenever all of the required and provided transfers and payments from said Prior Fund into the several special funds, as hereinbefore provided, are current and there remains in said Prior Fund a balance in excess of the estimated amounts required to be so transferred and paid for Operating Expenses and into the Sinking Fund and the Renewal and Replacement Fund during the next succeeding three (3) months, such excess shall be considered as surplus revenues. Said surplus revenues shall be used for the purposes and in the order and priority as follows:

(1) To remit to the Commission for deposit into the Town of New Haven Supplemental Subordinate Sewer Revenue Bond Principal Account (the "Supplemental Bond Principal Account"), which is hereby created and established with the Commission, on the first (1st) day of each month, beginning with the first month in which said surplus revenues are available, a sum equal to one-twelfth (1/12th) of the amount of principal which will mature and come due on the Supplemental Bonds on the next ensuing principal payment date thereof; provided, however, that in the event that the period to elapse between said initial deposit date and the next principal payment date is less than thirteen (13) months, then such monthly deposits shall be increased proportionately to provide, one month prior to the next principal payment date, the amount of principal of the Supplemental Bonds maturing on said date; and, provided, further, that said deposit of surplus revenues one month prior to the next principal payment date shall be in the amount necessary to make the funds on deposit in the Supplemental Bond Principal Account at least equal to the principal of the Supplemental Bonds maturing on said date. Said Supplemental Bond Principal Account

shall be used only for the payment of principal of the Supplemental Bonds. The Town shall also, from said surplus revenues, remit to the Commission, on such dates or at such other times as the Commission shall require, such additional sums as shall be necessary to pay the charges due for paying the Supplemental Bonds. The Town hereby covenants to the Holders of the Supplemental Bonds to make the deposits and payments specified in this paragraph so long as any of the Supplemental Bonds shall be outstanding and unpaid. If there are no longer any Bonds outstanding, such deposits and payments shall be made from the Prior Fund or the Revenue Fund created by Subsection 4.01(B) hereof.

(2) For the construction and acquisition of improvements and extensions to the System.

(3) To the extent not needed for such purposes, said surplus revenues and any surplus moneys in the Sinking Fund, exclusive of the Reserve Account, in excess of the amount of interest to become due on tne next interest payment date and the amount of principal to become due withint the next succeeding thirteen (13) months, may be used to purchase Bonds upon the open market at a price not exceeding the par value thereof plus three percent (3%) of such par value, or to redeem Bonds at a price not in excess of the redemption price thereof, or for debt service on obligations, other than the Supplemental Bonds, not on a parity with the Bonds, the proceeds of which obligations were used to finance such additions, betterments or improvements.

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

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

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

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

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

Section 2.04. Amendments to Article V of the Original Ordinance. Article V of the Original Ordinance is hereby amended and reenacted to read as follows:

ARTICLE V

WDA BONDS TO REFUND NOTES

At the maturity, or call prior to maturity, of the Notes, as provided in Article VII hereof, the WDA Bonds shall be used to defease the Notes and pay issuing expenses required by the Authority. The Town hereby assigns its right to receive funds as proceeds of said WDA Bonds to the Authority, and there shall be no transfer of funds by the Authority to the Town as payment for said WDA Bonds, except to pay costs of issuance of the WDA Bonds and related costs. Said funds received by the Town to pay costs of issuance of the WDA Bonds and related costs shall be deposited by the Town in a separate account to be designated the "WDA Bonds Cost of Issuance Account" hereby established in the Construction Trust Fund created by Subsection 8.01(B) hereof. After paying such costs of issuance and related costs approved by the Council of the Town and allowable under the Act, any moneys remaining in

the WDA Bonds Cost of Issuance Account may be drawn out, used and applied by the Town for the payment of any remaining costs of construction and acquisition of the Project, and purposes incidental thereto. If for any reason such funds received, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds shall be deposited by the Town in the Reserve Account in the Sinking Fund and shall be used only as provided therefor. Any funds received as payment for the WDA Bonds shall be and constitute a trust fund for the purposes above, and there is hereby created a lien upon such moneys, until so applied, in favor of the Holders of the WDA Bonds.

Section 2.05. Amendments to Article VI of the Original Ordinance. Article VI of the Original Ordinance shall be amended as follows:

A. Section 6.01 of the Original Ordinance is hereby amended and reenacted to read as follows:

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

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

B. Section 6.02 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.02. Bonds and Supplemental Bonds Not To Be Indebtedness of the Town. Neither the Bonds nor coupons appertaining thereto nor the Supplemental Bonds, as the case may be, shall be or constitute an indebtedness of the Town within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the revenues of the System, as herein provided. No Holder or Holders of any Bonds issued hereunder, or of any coupon appertaining thereto, or of any Supplemental Bonds, as the case may be, shall ever have the right to compel the exercise of the taxing power of the Town to pay said Bonds or the interest thereon or said Supplemental Bonds, as the case may be.

C. Section 6.03 of the Original Ordinance is hereby amended and reenacted to read as follows:

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

D. Section 6.04 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.04. Rates. Prior to the issuance of the WDA Bonds, equitable rates or charges for the use of and services rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the Sanitary Board and in the office of the Town Recorder, each of which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments on behalf of the Prior Bonds and into the funds and accounts created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Town hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide for all reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least 130% of the maximum amount required in any ensuing year to pay the interest and principal as the same become due and accomplish retirement of all obligations other than the Notes, including the WDA Bonds, for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered.

E. Section 6.06 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.06. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully, as provided by Section 9.06 hereof, all the Notes or the Bonds and Supplemental Bonds, as the case may be, outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds and the Supplemental Bonds, immediately be remitted to the Commission for deposit in the Sinking Fund and the Supplemental Bond Principal Account in amounts respectively sufficient to effect such defeasance pursuant to Section 9.06. In the event the

Authority is no longer a Bondholder, such proceeds must be deposited in amounts respectively sufficient to redeem all the Bonds and Supplemental Bonds then outstanding, at the earliest possible redemption date, and the Town shall direct the Commission to apply such proceeds to effect such redemption at the earliest possible redemption date. Any balance remaining after the payment of all the Bonds and any interest thereon and of all the Supplemental Bonds shall be remitted to the Town by the Commission unless necessary for the payment of other obligations of the Town payable out of the revenues of the System. With respect to the Notes, such proceeds in an amount sufficient to pay in full the Notes shall be remitted to the Holder thereof.

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

No sale, lease or other disposition of the properties of the System shall be made by the Town if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay all the Bonds and Supplemental Bonds then outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in amount of the Bonds and sixty-six and two-thirds percent (66-2/3%) in amount of the Supplemental Bonds, as the case may be, then outstanding. The Town shall prepare the form of such approval and consent for execution by the then Holders of the Bonds and the Supplemental Bonds, as the case may be, for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

F. Section 6.07 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 6.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The Town shall not issue any other obligations whatsoever payable from the proceeds of the Bonds or the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such proceeds or revenues with the Notes or the Bonds; provided, that additional notes on a party with the renewal note provided for in Section 7.01 hereof may be issued as authorized by the Authority; and provided, further, that additional Bonds on a parity with the Bonds may be issued as provided for in Section 6.08 hereof. All obligations hereafter issued by the Town payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Notes and the Bonds; provided, however, that no such subordinate obligations shall be issued unless the Reserve Account in the Sinking Fund is funded to the extent that no further payments are required thereto as provided in Subsection 4.01(A)(2); and provided, further, that no such subordinate obligations shall be issued as long as any of the Supplemental Bonds is outstanding without the prior written consent of the Authority.

Except as provided above, the Town shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Notes or the Bonds, as the case may

be, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Notes or the Bonds, as the case may be, and the interest thereon in this Ordinance, or upon the System or any part thereof or, with respect to the Notes, upon the proceeds of the WDA Bonds.

G. Section 6.11 of the Original Ordinance is hereby amended and reenacted to read as follows:

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

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

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

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

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

H. Section 6.12 of the Original Ordinance is hereby amended and reenacted to read as follows:

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

Whenever any rates, rentals or charges for services or facilities of the System shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. The Town further covenants and agrees that in the event it has a municipally owned waterworks system (the "Water System"), it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services and facilities of the System and will not restore such services of either the System or the Water System until all delinquent charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

I. Section 6.14 of the Original Ordinance is hereby amended and reenacted to read as follows:

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

The accounting system for the System shall follow currently accepted accounting practices and safeguards. Separate control accounting records shall be maintained by the Town. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Town. The Town shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Town shall be reported to such agent of the Town as the Council of the Town shall direct.

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

A. A statement of Gross Revenues, Operating Expenses and Net Revenues derived from the System.

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

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

Section 2.06. Bonds To Mean WDA Bonds with Respect to Security for and Payment of Notes. References in Article VII of the Original Resolution and in the Notes to the sale of, and security for and payment of the Notes from the proceeds of, the Bonds are hereby deemed to mean the WDA Bonds. With respect to Subsection 7.07(B) of the Original Ordinance and as agreed by the Authority, the aggregate principal amount of the WDA Bonds required may, and shall, be reduced to the extent the Town has other funds available for refunding the Notes.

Section 2.07. Amendments to Article IX of the Original Ordinance. Article IX of the Original Ordinance shall be amended as follows:

A. Section 9.01 of the Original Ordinance is hereby amended and reenacted to read as follows:

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

B. Section 9.06 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 9.06. Defeasance. If the Town shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Notes, Bonds or Supplemental Bonds, as the case may be, the principal thereof, and to the Holders of any coupons appertaining to said Notes or Bonds the interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then the pledge of any revenues and other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the Town to the Noteholders or the Bondholders, as the case may be, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or coupons or interest installments thereon or Supplemental Bonds, as the case may be, for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the paying agent at the same or earlier time, shall be sufficient, to pay as and when due the

principal of and interest on such Bonds or the principal of such Supplemental Bonds, as the case may be, shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds and any coupons appertaining thereto or all Supplemental Bonds, as the case may be, shall prior to the maturity thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same time, shall be sufficient, to pay when due the principal of and interest due and to become due, on and prior to the maturity dates thereof, on said Bonds, or to pay when due the principal of said Supplemental Bonds, as the case may be. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds or the payment of the principal of said Supplemental Bonds, as the case may be; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and the interest due and to become due, on and prior to such maturity dates thereof, on said Bonds, or the principal of said Supplemental Bonds, as the case may be, and interest earned from such reinvestments shall be paid over to the Town as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

C. Section 9.07 of the Original Ordinance is hereby amended and reenacted to read as follows:

Section 9.07. Restrictions as to Arbitrage Bonds. The Town shall not permit at any time or times any of the proceeds of the Notes, the Bonds or the Supplemental Bonds or any other funds of the Town to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Note, Bond or Supplemental Bond to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and the Mayor of the Town

shall deliver his or her certificate, based upon this covenant, with regard thereto to the original purchasers of the Notes, Bonds or Supplemental Bonds, as the case may be.

ARTICLE III

MISCELLANEOUS

Section 3.01. Paying Agent. The Charleston National Bank, Charleston, West Virginia, has been selected as paying agent for the Authority and is hereby designated as the paying agent for the WDA Bonds. Accordingly, both the Bonds originally authorized by the Ordinance and the Supplemental Bonds are payable as to principal, and the Bonds originally authorized by the Ordinance are payable as to interest, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through the Charleston National Bank, Charleston, West Virginia. There shall be no alternate paying agent for the WDA Bonds.

Section 3.02. Sinking Fund. In accordance with Subsection 4.01(A)(1) of the Ordinance, the Town shall commence making deposits on account of interest into the Sinking Fund on November 1, 1982.

Section 3.03. Payment of Notes. There is hereby authorized and directed the expenditure by the Town of available funds, not to exceed $70,000, as may be required to defease the Notes concurrently with the delivery of the WDA Bonds to the Authority. Such funds shall not be deposited in the Notes Payment Account but shall be delivered to the Authority, as agreed thereby.

Section 3.04. Further Actions. The Mayor and Recorder of the Town and all other members of the Council of the Town and employees of the Town are hereby authorized and directed to take all actions necessary to cause the WDA Bonds to be properly executed and delivered to the Authority and to execute and deliver any other documents required in connection therewith.

Section 3.05. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Amendatory Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Amendatory Ordinance or of the Ordinance.

Section 3.06. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with this Amendatory Ordinance are to the extent of such conflict repealed.

Section 3.07. Covenant of Due Procedure. The Town covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment of this Amendatory Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State applicable thereto; and the Mayor, Recorder and members of the Council of the Town were at all times when any actions in connection with this Amendatory Ordinance occurred, and are, duly in office and duly qualified for such offices.

Section 3.08. Effective Date. This Amendatory Ordinance shall take effect after passage, public hearing and otherwise in the manner prescribed by law.

EXHIBIT A

LOAN AGREEMENT

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

W I T N E S S E T H:

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

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia to construct, own and operate such a water development project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds and bond anticipation notes or other short-term indebtedness issued by such Governmental Agency; and

WHEREAS, the United States Environmental Protection Agency (the "EPA") has awarded a "Step III" grant offer pursuant to the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, for the construction of a water development project by the Governmental Agency (the "Project") at the location and as more particularly described and set forth in the Application for Loan with attachments and exhibits, dated April 25, 1979, completed by the Governmental Agency and filed with the Authority, as revised and supplemented (the "Application"), which Application is incorporated herein by this reference; and

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

WHEREAS, the Authority intends to issue its Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), in accordance with the provisions of the Act and the resolution of the Authority duly adopted on November 29, 1978 (the "Bond Resolution"), as supplemented by a series resolution authorizing the 1982 Series A Bonds, the proceeds of such 1982 Series A Bonds to be used by the Authority to purchase the bonds of certain municipalities and public service districts, including the Governmental Agency, which comply with the requirements established by the Authority, subject, however, to the ability of the Authority to sell the 1982 Series A Bonds and to the extent of the availability of the proceeds of such 1982 Series A Bonds; and

WHEREAS, the Governmental Agency has requested a loan from the Authority to be evidenced by revenue bonds issued by the Governmental Agency and purchased by the Authority, the proceeds of such loan to be used by the Governmental Agency to pay the portion of the cost of the Project which is not paid from the sources stated in the Application or to refund certain bond anticipation notes or other short-term indebtedness issued in anticipation of said revenue bonds and any additional costs of the Project not so paid; and

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

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

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," and "water development project" have the definitions and meanings ascribed to them in the Act; provided, that "water development project" means only a "wastewater facility," as also defined in the Act.

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

1.3 "Governmental Agency Bonds" means, collectively, the Local Bonds and the Supplemental Bonds, both as hereinafter defined.

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

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Loan, and which will be purchased by the Authority with a portion of the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.6 "Project" means the water development project hereinabove referred to, to be or being constructed by the Governmental Agency with, among other funds, the proceeds of the WDA Loans, as hereinafter defined, or with the proceeds of the bond anticipation notes or other short-term indebtedness refunded with the proceeds of the WDA Loans, as hereinafter defined.

1.7 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Supplemental Loan, as hereinafter defined, and which will be purchased by the Authority with funds other than the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.8 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds, pursuant to this Loan Agreement.

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

1.10 "WDA Loans" means, collectively, the Loan and the Supplemental Loan.

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

ARTICLE II

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

2.1 The Project undertaken by the Governmental Agency shall generally consist of the acquisition, construction and installation of the facilities described in the Application

constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director) and consistent with the standards set by the West Virginia Water Resources Board for the waters of the State of West Virginia affected thereby.

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Governmental Agency Bonds.

ARTICLE III

Conditions to WDA Loans; Issuance of Governmental Agency Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Authority's issuing and delivering the 1982 Series A Bonds and subject to the requirements of Section 3.4 hereof and to the fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be a date mutually agreed upon by the Authority and the Governmental Agency and which date shall not be prior to one (1) business day before the scheduled maturity of the Governmental Agency's bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, if any (or earlier redeption date thereof if such notes or other short-term indebtedness are in fact called for redemption), nor later than twenty-seven (27) months from the date the 1982 Series A Bonds are delivered to the initial purchasers thereof; provided that, if such Local Bonds are not delivered on or before the date so mutually agreed upon, the Authority may use monies for the purchase of local bonds of

other governmental agencies in accordance with Section 3.4 hereof. Said conditions precedent are as follows:

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

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Governmental Agency Bonds described in Section 3.2 hereof;

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

(d) The Governmental Agency shall have obtained all requisite orders of and approvals from the West Virginia Public Service Commission necessary for the issuance of the Governmental Agency Bonds, construction of the Project and imposition of the rates required to comply with the provisions of Subsection 4.1(b)(iii) hereof and shall have taken any other action required for the imposition of such rates;

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

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

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the WDA Loans to the Governmental Agency and the Governmental Agency shall accept the WDA Loans from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the WDA Loans by purchasing the Governmental Agency Bonds in the principal amount set forth on Schedule X hereto and providing proceeds of not less than $326,000, such Governmental Agency Bonds to consist of a mix of Local Bonds and Supplemental Bonds as will result in annual debt service on the Governmental Agency Bonds, together with the outstanding indebtedness set forth on Schedule X, of not in excess of $50,000. The Local Bonds will be purchased by the

Authority at a price of not less than seventy percent (70%) of the principal amount thereof, and the Supplemental Bonds will be purchased by the Authority at a price equal to one hundred percent (100%) of the principal amount thereof, all as more particularly set forth on Schedule X hereto. The Local Bonds and the Supplemental Bonds shall be issued and sold to the Authority simultaneously. The Governmental Agency represents that the proceeds of the Governmental Agency Bonds will, together with the funds from the sources set forth in the Application, including any bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, and any other funds available to the Governmental Agency and approved by the Authority, pay the entire cost of the Project and refund said bond anticipation notes or other short-term indebtedness.

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

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the sale and the availability of proceeds of the 1982 Series A Bonds at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement and to the right of the Authority to make such loans to other governmental agencies as in the aggregate shall permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the 1982 Series A Bonds.

3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to issue additional Supplemental Bonds in principal amount equal to such deficiency (as determined by the Authority) and sell such additional Supplemental Bonds to the Authority and assign the proceeds thereof to the Authority, which shall use such proceeds to reimburse itself for such deficiency.

ARTICLE IV

Governmental Agency Bonds; Security for WDA Loans; Repayment of WDA Loans; Interest on WDA Loans; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the WDA Loans, authorize

the issuance of and issue the Governmental Agency Bonds pursuant to an official action of the Governmental Agency in accordance with the applicable statute of the State of West Virginia (the "Local Act"), which shall, as enacted, contain provisions and covenants in substantially the form as follows:

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

(b) Covenants substantially as follows:

(i) That the Governmental Agency Bonds shall be secured by the net revenues from the System;

(ii) That the Supplemental Bonds shall be subordinate to the Local Bonds as to lien and source of payment.

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

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

(v) That the System may not be sold, mortgaged, leased or otherwise disposed of except as a

whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Governmental Agency Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(vi) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing;

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

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

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

(x) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(xi) That, in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xii) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xiii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiv) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xvi) That, except to the extent used to refund notes or other short-term indebtedness issued in anticipation thereof, the proceeds of Governmental Agency Bonds, except for accrued interest, must be deposited in a construction fund on which the holder of the Governmental Agency Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

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

4.2 The WDA Loans shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are described in Schedule X hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the WDA Loans shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto, and interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or

rates per annum borne by the 1982 Series A Bonds for corresponding maturities issued to provide the funds to make the Loan; provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. The Supplemental Loan will not bear interest.

4.5 The Governmental Agency Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the 1982 Series A Bonds. Such administrative expenses shall be as determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such revenue bonds.

4.7 As long as the Authority is the registered owner of all of the Governmental Agency Bonds outstanding, the Governmental Agency will not redeem such Governmental Agency Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's 1982 Series A Bonds and the redemption premium payable on the 1982 Series A Bonds redeemable as a consequence of such redemption of Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its 1982 Series A Bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

Acquisition of Site of Eligible Project; Certain Construction Requirements

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

5.2 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and

the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the administration of the WDA Loans or of Federal and State grants or other sources of financing for the Project.

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

5.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear.

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

ARTICLE VI

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

6.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the WDA Loans, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, of which the Project constitutes a whole or a part, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(iii) hereof.

6.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Bonds, from the date of the default until the date of the payment thereof.

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

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

ARTICLE VII

Other Agreements of the Governmental Agency

7.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges

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

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

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

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

7.5 The Governmental Agency hereby covenants that, to the extent the proceeds of the Governmental Agency Bonds are used to refund notes or other short-term indebtedness of the Governmental Agency issued in anticipation of the issuance of the Governmental Agency Bonds (the "refunding proceeds"), the yield to the Governmental Agency upon any investment of the refunding proceeds shall be restricted and may in no event exceed the yield on the Governmental Agency Bonds. "Yield" shall be calculated in the manner provided in Treasury Regulations §§ 1.103-13 and 1.103-14.

ARTICLE VIII

Maintenance and Operation

8.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Loan Agreement.

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

ARTICLE IX

Miscellaneous

9.1 Schedule X shall be attached to this Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act.

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

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

9.4 No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different

section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

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

9.6 The Governmental Agency hereby agrees to cooperate with the Authority in amending this Loan Agreement if required by the terms of sale of the 1982 Series A Bonds; provided, that the maximum annual debt service set forth in Section 3.2 shall not be increased by more than five percent (5%).

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

THE TOWN OF NEW HAVEN

(SEAL)

By _____
Its Mayor

Date: June 8, 1982

Attest:

_____
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By _____
Its Director

Date: June 9, 1982

Attest:

_____
Its Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

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

Year	Installment	Interest Rate

The series of Governmental Agency Bonds described in the Loan Agreement as the Supplemental Bonds is in the principal amount of $_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year Installment

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

We have also examined the applicable provisions of Chapter 16, Article 13, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Governmental Agency Bonds are issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

5. The rates, fees and other charges for the services and facilities of the system referred to in the Local Act are not subject to approval by the Public Service Commission of West Virginia.

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

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

8. The Governmental Agency Bonds and the interest on the Local Bonds are, by statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

We have examined executed Local Bond numbered R-1 and Supplemental Bond numbered S-1, and in our opinion the form of said bonds and their execution are regular and proper.

Very truly yours,

SCHEDULE X

TOWN OF NEW HAVEN

Description of Governmental Agency Bonds

Principal Amount of Local Bonds	$295,000
Purchase Price of Local Bonds	$249,275
Principal Amount and Purchase Price of Supplemental Bonds	$ 89,500

Interest on Local Bonds payable on April 1 and October 1 in each year beginning with the first semi-annual interest payment date after delivery of Local Bonds to WDA until Local Bonds are paid in full, at coupon interest rate as follows. Principal of Local Bonds and Supplemental Bonds payable on October 1 in each of years as follows:

Year	Coupon Interest Rate of Local Bonds	Principal Amount of Local Bonds	Principal Amount of Supplemental Bonds
1983			$2,418.92
1984			$2,418.92
1985			$2,418.92
1986			$2,418.92
1987			$2,418.92
1988			$2,418.92
1989			$2,418.92
1990			$2,418.92
1991			$2,418.92
1992			$2,418.92
1993			$2,418.92
1994			$2,418.92
1995			$2,418.92
1996			$2,418.92
1997			$2,418.92
1998			$2,418.92
1999			$2,418.92
2000			$2,418.92
2001			$2,418.92
2002			$2,418.92
2003			$2,418.92
2004	12.00%	$ 5,000	$2,418.92
2005	12.00%	$ 10,000	$2,418.92
2006	12.00%	$ 10,000	$2,418.92
2007	12.00%	$ 10,000	$2,418.92
2008	12.00%	$ 10,000	$2,418.92
2009	12.00%	$ 15,000	$2,418.92
2010	12.00%	$ 15,000	$2,418.92
2011	12.00%	$ 15,000	$2,418.92
2012	12.00%	$ 20,000	$2,418.92
2013	10.00%	$ 20,000	$2,418.92
2014	10.00%	$ 20,000	$2,418.92
2015	10.00%	$ 25,000	$2,418.92
2016	10.00%	$ 25,000	$2,418.92
2017	10.00%	$ 30,000	$2,418.92
2018	10.00%	$ 30,000	$2,418.92
2019	10.00%	$ 35,000	$2,418.92

Principal Amount of outstanding indebtedness as of June 1, 1982:

$103,000

RESOLUTION

Introduced in Council

June 8, 1982

Introduced by

Francis Taylor

Adopted by Council

June 8, 1982

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

BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA, AS FOLLOWS:

1. Capitalized terms used in this Supplemental Resolution shall, unless the context expressly requires otherwise, have the meanings respectively given them in the ordinance, entitled "An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount

of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of the Town of New Haven, West Virginia (the "Town"), on July 8, 1980, as amended thereby on July 20, 1980, as supplemented thereby on August 4, 1980, as further supplemented and amended thereby on July 28, 1981, and as further supplemented thereby on June 8, 1982 (the "Original Ordinance").

2. It is hereby found and determined as follows:

(A) Pursuant to the Original Ordinance and a loan agreement dated August 11, 1980 (the "Prior Loan Agreement"), the Town issued and sold to the Authority its Renewal Note in the principal amount of $451,000, dated June 1, 1981, bearing interest from the date thereof at the rate of eight percent (8%) per annum and maturing on May 31, 1982, which maturity date has been extended to November 30, 1982;

(B) The Renewal Note is payable from, among other sources, the proceeds of the Bonds authorized by the Original Ordinance, which Bonds are to be issued and sold to the Authority in accordance with Subsection 4.1(b)(vi) and other provisions of the Prior Loan Agreement;

(C) Under the Prior Loan Agreement, the Bonds are to be purchased by the Authority with a portion of the proceeds of a second series of the its Water Development Revenue Bonds (Sewage Systems Loan Program);

(D) The Authority has indicated that it anticipates issuing and selling its West Virginia Water Development Authority Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), in the very near future and will purchase the Bonds with a portion of the proceeds thereof;

(E) In connection with the issuance of the 1982 Series A Bonds, the Authority has requested that the Town enter into a loan agreement superseding the Prior Loan Agreement;

(F) Accordingly, there has been presented to the Council of the Town a new loan agreement with the Authority, attached as Exhibit A hereto and incorporated herein by reference (the "Loan Agreement"); and

(G) It is in the best interests of the Town, and the inhabitants thereof, that the Loan Agreement be approved in substantially the form of Exhibit A attached hereto, that the Loan Agreement supersede the Prior Loan Agreement and that the Mayor and Recorder of the Town be respectively authorized to execute, seal and deliver the Loan Agreement to the Authority.

3. The Loan Agreement, in substantially the form of Exhibit A attached hereto, superseding the Prior Loan Agreement and authorizing the sale to the Authority of bonds providing proceeds of not less than $326,000 and resulting in annual debt service on said bonds of not in excess of $50,000, is hereby approved.

4. The Mayor of the Town is hereby authorized and directed to execute the Loan Agreement, in substantially the form of Exhibit A hereto; the Recorder of the Town is hereby authorized and directed to seal and attest said Loan Agreement; and said Mayor is hereby further authorized and directed to deliver said Loan Agreement to the Authority on or prior to June 8, 1982.

5. This Supplemental Resolution shall take effect immediately upon its adoption.

LOAN AGREEMENT

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

W I T N E S S E T H:

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

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia to construct, own and operate such a water development project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds and bond anticipation notes or other short-term indebtedness issued by such Governmental Agency; and

WHEREAS, the United States Environmental Protection Agency (the "EPA") has awarded a "Step III" grant offer pursuant to the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, for the construction of a water development project by the Governmental Agency (the "Project") at the location and as more particularly described and set forth in the Application for Loan with attachments and exhibits, dated April 25, 1979, completed by the Governmental Agency and filed with the Authority, as revised and supplemented (the "Application"), which Application is incorporated herein by this reference; and

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

WHEREAS, the Authority intends to issue its Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), in accordance with the provisions of the Act and the resolution of the Authority duly adopted on November 29, 1978 (the "Bond Resolution"), as supplemented by a series resolution authorizing the 1982 Series A Bonds, the proceeds of such 1982 Series A Bonds to be used by the Authority to purchase the bonds of certain municipalities and public service districts, including the Governmental Agency, which comply with the requirements established by the Authority, subject, however, to the ability of the Authority to sell the 1982 Series A Bonds and to the extent of the availability of the proceeds of such 1982 Series A Bonds; and

WHEREAS, the Governmental Agency has requested a loan from the Authority to be evidenced by revenue bonds issued by the Governmental Agency and purchased by the Authority, the proceeds of such loan to be used by the Governmental Agency to pay the portion of the cost of the Project which is not paid from the sources stated in the Application or to refund certain bond anticipation notes or other short-term indebtedness issued in anticipation of said revenue bonds and any additional costs of the Project not so paid; and

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

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

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," and "water development project" have the definitions and meanings ascribed to them in the Act; provided, that "water development project" means only a "wastewater facility," as also defined in the Act.

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

1.3 "Governmental Agency Bonds" means, collectively, the Local Bonds and the Supplemental Bonds, both as hereinafter defined.

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

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Loan, and which will be purchased by the Authority with a portion of the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.6 "Project" means the water development project hereinabove referred to, to be or being constructed by the Governmental Agency with, among other funds, the proceeds of the WDA Loans, as hereinafter defined, or with the proceeds of the bond anticipation notes or other short-term indebtedness refunded with the proceeds of the WDA Loans, as hereinafter defined.

1.7 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, to evidence the Supplemental Loan, as hereinafter defined, and which will be purchased by the Authority with funds other than the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.8 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds, pursuant to this Loan Agreement.

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

1.10 "WDA Loans" means, collectively, the Loan and the Supplemental Loan.

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

ARTICLE II

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

2.1 The Project undertaken by the Governmental Agency shall generally consist of the acquisition, construction and installation of the facilities described in the Application

constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director) and consistent with the standards set by the West Virginia Water Resources Board for the waters of the State of West Virginia affected thereby.

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Governmental Agency Bonds.

ARTICLE III

Conditions to WDA Loans; Issuance of Governmental Agency Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Authority's issuing and delivering the 1982 Series A Bonds and subject to the requirements of Section 3.4 hereof and to the fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be a date mutually agreed upon by the Authority and the Governmental Agency and which date shall not be prior to one (1) business day before the scheduled maturity of the Governmental Agency's bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, if any (or earlier redeption date thereof if such notes or other short-term indebtedness are in fact called for redemption), nor later than twenty-seven (27) months from the date the 1982 Series A Bonds are delivered to the initial purchasers thereof; provided that, if such Local Bonds are not delivered on or before the date so mutually agreed upon, the Authority may use monies for the purchase of local bonds of

other governmental agencies in accordance with Section 3.4 hereof. Said conditions precedent are as follows:

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

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Governmental Agency Bonds described in Section 3.2 hereof;

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

(d) The Governmental Agency shall have obtained all requisite orders of and approvals from the West Virginia Public Service Commission necessary for the issuance of the Governmental Agency Bonds, construction of the Project and imposition of the rates required to comply with the provisions of Subsection 4.1(b)(iii) hereof and shall have taken any other action required for the imposition of such rates;

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

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

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the WDA Loans to the Governmental Agency and the Governmental Agency shall accept the WDA Loans from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the WDA Loans by purchasing the Governmental Agency Bonds in the principal amount set forth on Schedule X hereto and providing proceeds of not less than $326,000, such Governmental Agency Bonds to consist of a mix of Local Bonds and Supplemental Bonds as will result in annual debt service on the Governmental Agency Bonds, together with the outstanding indebtedness set forth on Schedule X, of not in excess of $50,000. The Local Bonds will be purchased by the

Authority at a price of not less than seventy percent (70%) of the principal amount thereof, and the Supplemental Bonds will be purchased by the Authority at a price equal to one hundred percent (100%) of the principal amount thereof, all as more particularly set forth on Schedule X hereto. The Local Bonds and the Supplemental Bonds shall be issued and sold to the Authority simultaneously. The Governmental Agency represents that the proceeds of the Governmental Agency Bonds will, together with the funds from the sources set forth in the Application, including any bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, and any other funds available to the Governmental Agency and approved by the Authority, pay the entire cost of the Project and refund said bond anticipation notes or other short-term indebtedness.

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

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the sale and the availability of proceeds of the 1982 Series A Bonds at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement and to the right of the Authority to make such loans to other governmental agencies as in the aggregate shall permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the 1982 Series A Bonds.

3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to issue additional Supplemental Bonds in principal amount equal to such deficiency (as determined by the Authority) and sell such additional Supplemental Bonds to the Authority and assign the proceeds thereof to the Authority, which shall use such proceeds to reimburse itself for such deficiency.

ARTICLE IV

Governmental Agency Bonds; Security for WDA Loans; Repayment of WDA Loans; Interest on WDA Loans; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the WDA Loans, authorize

the issuance of and issue the Governmental Agency Bonds pursuant to an official action of the Governmental Agency in accordance with the applicable statute of the State of West Virginia (the "Local Act"), which shall, as enacted, contain provisions and covenants in substantially the form as follows:

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

(b) Covenants substantially as follows:

(i) That the Governmental Agency Bonds shall be secured by the net revenues from the System;

(ii) That the Supplemental Bonds shall be subordinate to the Local Bonds as to lien and source of payment.

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

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

(v) That the System may not be sold, mortgaged, leased or otherwise disposed of except as a

whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Governmental Agency Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(vi) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing;

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

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

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

(x) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(xi) That, in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xii) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xiii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiv) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xvi) That, except to the extent used to refund notes or other short-term indebtedness issued in anticipation thereof, the proceeds of Governmental Agency Bonds, except for accrued interest, must be deposited in a construction fund on which the holder of the Governmental Agency Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

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

4.2 The WDA Loans shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are described in Schedule X hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the WDA Loans shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto, and interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or

rates per annum borne by the 1982 Series A Bonds for corresponding maturities issued to provide the funds to make the Loan; provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. The Supplemental Loan will not bear interest.

4.5 The Governmental Agency Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the 1982 Series A Bonds. Such administrative expenses shall be as determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such revenue bonds.

4.7 As long as the Authority is the registered owner of all of the Governmental Agency Bonds outstanding, the Governmental Agency will not redeem such Governmental Agency Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's 1982 Series A Bonds and the redemption premium payable on the 1982 Series A Bonds redeemable as a consequence of such redemption of Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its 1982 Series A Bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

Acquisition of Site of Eligible Project; Certain Construction Requirements

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

5.2 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and

the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the administration of the WDA Loans or of Federal and State grants or other sources of financing for the Project.

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

5.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear.

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

ARTICLE VI

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

6.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the WDA Loans, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, of which the Project constitutes a whole or a part, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(iii) hereof.

6.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Bonds, from the date of the default until the date of the payment thereof.

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

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

ARTICLE VII

Other Agreements of the Governmental Agency

7.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges

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

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

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

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

7.5 The Governmental Agency hereby covenants that, to the extent the proceeds of the Governmental Agency Bonds are used to refund notes or other short-term indebtedness of the Governmental Agency issued in anticipation of the issuance of the Governmental Agency Bonds (the "refunding proceeds"), the yield to the Governmental Agency upon any investment of the refunding proceeds shall be restricted and may in no event exceed the yield on the Governmental Agency Bonds. "Yield" shall be calculated in the manner provided in Treasury Regulations §§ 1.103-13 and 1.103-14.

ARTICLE VIII

Maintenance and Operation

8.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Loan Agreement.

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

ARTICLE IX

Miscellaneous

9.1 Schedule X shall be attached to this Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act.

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

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

9.4 No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different

section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

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

9.6 The Governmental Agency hereby agrees to cooperate with the Authority in amending this Loan Agreement if required by the terms of sale of the 1982 Series A Bonds; provided, that the maximum annual debt service set forth in Section 3.2 shall not be increased by more than five percent (5%).

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

THE TOWN OF NEW HAVEN

(SEAL)

By _____
Its Mayor

Attest:

Date: _____

_____
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By _____
Its Director

Attest:

Date: _____

_____
Its Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

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

Year	Installment	Interest Rate

The series of Governmental Agency Bonds described in the Loan Agreement as the Supplemental Bonds is in the principal amount of $_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year	Installment

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

We have also examined the applicable provisions of Chapter 16, Article 13, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Governmental Agency Bonds are issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

5. The rates, fees and other charges for the services and facilities of the system referred to in the Local Act are not subject to approval by the Public Service Commission of West Virginia.

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

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

8. The Governmental Agency Bonds and the interest on the Local Bonds are, by statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

We have examined executed Local Bond numbered R-1 and Supplemental Bond numbered S-1, and in our opinion the form of said bonds and their execution are regular and proper.

Very truly yours,

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned WENDY L. DIVERS, Recorder of The Town of New Haven, West Virginia, hereby certify that the copy of the resolution entitled "A Resolution supplementing an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, as further supplemented and amended on July 28, 1981, and as further supplemented on June 8, 1982 and approving the form and execution of a loan agreement with the West Virginia Water Development Authority, which loan agreement supersedes the loan agreement dated August 11, 1980, with said Water Development Authority," attached hereto is a true and accurate copy of said Resolution as adopted by the Council of the Town of New Haven at a special emergency meeting on June 8, 1982. Said meeting was duly called and held in accordance with the rules of procedure of the Council, and a quorum of Council members was present and acting throughout said meeting.

WITNESS my signature and the seal of The Town of New Haven, West Virginia, this 8th day of June, 1982.

Wendy L. Divers
Recorder, The Town of New Haven

[SEAL]

Resolution

Introduced in Council

July 28, 1981

Introduced by

Adopted by Council

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

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

rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto," enacted by the Council of the Town of New Haven, West Virginia (the "Town"), on July 8, 1980, as amended on July 22, 1980, and as supplemented on August 4, 1980 (the "Ordinance"), there were authorized and issued by the Town $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980 (the "Note"), which Note was purchased by the West Virginia Water Development Authority (the "Authority") pursuant to a Loan Agreement, dated August 11, 1980, between the Town and the Authority (the "Agreement"); and

WHEREAS, the Note matured on June 1, 1981; and

WHEREAS, in accordance with Subsection 4.1(b)(iii) of the Agreement and pursuant to Section 7.01 of the Ordinance and to the terms of the Note, the Authority was authorized to renew the Note for a period not to exceed one year at interest rates to be established by the Authority and authorized by a resolution supplemental to the Ordinance; and

WHEREAS, the Authority has exercised such option by a letter dated June 1, 1981, a copy of which is attached as Exhibit A hereto and incorporated herein by reference; and

WHEREAS, it is in the best interests of the Town and the inhabitants thereof to honor the exercise of the Authority's option, to renew the Note until May 31, 1982, to issue a renewal Note to exchange with the Note, to provide for the satisfaction of interest payments coming due on the renewal Note, to the extent such interest is not payable from the net revenues derived from the operation of the Town's sewerage system, of which the water development project financed with the proceeds of the Note is a part (the "System"), or from other funds of the Town available therefor, by the issuance and delivery to the Authority of additional notes on a parity with said renewal Note and to amend the Ordinance to provide for such issuance;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA, as follows:

1. In accordance with Subsection 4.1(b)(iii) of the Agreement and pursuant to Section 7.01 of the Ordinance and to the terms of the Note, the Note is hereby ordered renewed, and there shall be issued in exchange for such Note a renewal Note, designated "Sewer System Bond Anticipation Renewal Note, 1981 Series A," in the principal amount of $451,000 (the "Renewal Note"), representing the aggregate principal amount of the Note that matured on June 1, 1981.

2. If and when authorized by a resolution supplemental hereto, and to the extent interest on the Renewal Note or on any previously issued Additional Note, as hereinafter defined, is not payable from the net revenues derived from the operation of the System, or from other funds of the Town available therefor, there shall be issued and delivered to the Authority from time to time additional notes, on a parity as to lien and source of and security for payment with the Renewal Note, designated "Sewer System Bond Anticipation Renewal Note," of the series to be determined by said supplemental resolution (the "Additional Notes").

3. The Renewal Note shall be dated June 1, 1981, and shall bear interest from the date thereof to the date of maturity thereof at the rate of eight percent (8%) per annum, payable on August 28, 1981, for interest to September 1, 1981, on November 27, 1981, for interest to December 1, 1981, on February 26, 1982, for interest to March 1, 1982, and on May 28, 1982, for interest to May 31, 1982. Any Additional Note shall be dated the date of delivery thereof and shall bear interest from the date thereof to the date of maturity thereof at the rate and, to the extent applicable, payable on the dates and for the periods specified above for the Renewal Note.

4. Interest on the Renewal Note and on any Additional Note shall, to the extent possible, be paid from the net revenues derived from the operation of the System or from other funds of the Town available for such payment. To the extent the Town is unable to pay interest on the Renewal Note or on any Additional Note from such sources, and the Authority has consented thereto, the Town shall issue and deliver to the Authority, as full or partial satisfaction of such interest then coming due, an Additional Note as provided above. Notwithstanding any of the foregoing, interest accrued on the Renewal Note or on any Additional Note after six (6) months after completion of construction or acquisition of the water development project financed with the proceeds of the Note must be paid from the net revenues derived from

the operation of the System, and the Town hereby pledges to make such payment from such net revenues.

5. The Renewal Note and any Additional Note shall mature on May 31, 1982.

6. The Renewal Note shall be issued in fully registered form and otherwise in substantially the form attached as Exhibit B hereto and incorporated herein by reference, and any Additional Note shall be issued in fully registered form and otherwise in substantially the form attached as Exhibit C hereto and incorporated herein by reference.

7. Except as provided above, the Renewal Note and each Additional Note shall be subject to the terms, provisions, security and covenants provided in the Ordinance, as hereinafter amended, for the Note.

8. The Mayor and Town Recorder of the Town are hereby authorized and directed to execute, seal and deliver the Renewal Note and to take any other actions and execute and deliver any other documents necessary and proper in connection with such execution and delivery of the Renewal Note.

9. Section 6.07 of the Ordinance is hereby amended and re-enacted to read as follows:

> Section 6.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The Town shall not issue any other obligations whatsoever, payable from the proceeds of the Bonds or the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such proceeds or revenues with the Notes or the Bonds; provided, that additional notes on a parity with the renewal note provided for in Section 7.01 hereof may be issued as authorized by the Authority; and provided, further, that additional bonds on a parity with the Bonds may be issued as provided for in Section 6.08 hereof. All obligations hereafter issued by the Town payable from the revenues of the System, except such additional parity notes or such additional parity bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien

on and source of and security for payment from such revenues and in all other respects, to the Notes and the Bonds; provided, however, that no such subordinate obligations shall be issued unless the Reserve Account in the Sinking Fund is funded to the extent that no further payments are required thereto as provided in Section 4.01(A)(2).

Except as provided above, the Town shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Notes or the Bonds, as the case may be, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Notes or the Bonds, as the case may be, and the interest thereon in this Ordinance, or upon the System or any part thereof or, with respect to the Notes, upon the proceeds of the Bonds originally issued pursuant to this Ordinance.

10. If any paragraph, clause or provision of this resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this resolution or of the Ordinance, as supplemented and amended hereby.

11. This resolution shall take effect immediately upon adoption.

Exhibit A

Attach letter, dated June 1, 1981, from the West Virginia Water Development Authority.

Exhibit B

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SEWER SYSTEM BOND ANTICIPATION RENEWAL NOTE,
1981 SERIES A

No. NR-1 $451,000

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), for value received, hereby promises to pay, from the proceeds of certain Subordinate Sewer Revenue Bonds to be hereafter issued by the Town, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or its registered assigns, on the thirty-first day of May, 1982, the sum of Four Hundred Fifty-one Thousand Dollars ($451,000). Interest on said sum is payable from the date hereof at the rate of eight percent (8%) per annum on the 28th day of August, 1981, for interest to September 1, 1981, on the 27th day of November, 1981, for interest to December 1, 1981, on the 26th day of February, 1982, for interest to March 1, 1982, and on the 28th day of May, 1982, for interest to May 31, 1982, solely from the special funds provided therefor, as hereinafter set forth. The principal of this Note is payable in any coin or currency which, on the date of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through the Mason County Bank, New Haven, West Virginia; provided, however, that, if the Authority is the registered owner hereof, at the option of the Authority the principal of this Note may be paid by exchanging this Note with the aforementioned Subordinate Sewer Revenue Bonds. The interest on this Note is payable by check or draft mailed to the registered owner hereof at its address as it appears on the Note Register hereinafter provided for.

So long as the Authority is the registered owner hereof, this Note is subject to call on demand of the Authority upon fourteen (14) days' written notice to the Town. This Note is not prepayable or redeemable at the option of the Town.

This Note is a renewal of the Town's $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, dated August 11, 1980 (the "Prior Note"), which Prior Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements (the "Project") to the municipal sewage system (the "System") of the Town pending the issuance of certain Subordinate Sewer Revenue Bonds as described below, all under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as supplemented and amended on July 28, 1981 (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. Such renewal was specifically authorized by Section 7.01 of the Ordinance and said supplemental and amendatory resolution adopted on July 28, 1981 (the "Resolution").

This Note is issued in anticipation of certain Subordinate Sewer Revenue Bonds of the Town, and the principal of this Note is payable from the proceeds of such Subordinate Sewer Revenue Bonds to be issued at the maturity, or call prior to maturity, of this Note, as authorized by the Ordinance. Issuance of said Subordinate Sewer Revenue Bonds was authorized by the Ordinance, and the Authority has agreed to purchase such Bonds. To the extent the principal of this Note is not paid as provided above, it is payable from, and secured by a lien on, the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town. Interest on this Note is payable from the net revenues derived from the operation of the System and from other funds of the Town available therefor and, to the extent not so payable, from the proceeds of additional notes, on a parity as to lien and source of and security for payment with this Note, to be issued from time to time in accordance with the Resolution; provided, that any interest accrued hereon after six (6) months after completion of construction or acquisition of the Project shall be paid from the net revenues derived from the operation of the System.

This Note does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same or the interest hereon except from

the proceeds of the Subordinate Sewer Revenue Bonds, said additional notes on a parity with this Note or from the net revenues derived from the operation of said System or other funds of the Town available therefor. Under the Ordinance, the Town has entered into certain covenants with the registered owner of this Note for the terms of which reference is made to said Ordinance. Remedies provided the registered owner of this Note are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof. This Note is junior, subordinate and inferior as to source of payment and security from, and in all other respects with regard to, the net revenues derived from the operation of the System to $ 106,000 in principal amount of the Town's Sewer Revenue Bonds, dated June 1, 1963, outstanding on the date hereof.

This Note may be transferred only upon the books of the Town which shall be kept for that purpose at the office of the Treasurer of the State of West Virginia (the "Note Register") by an authorized representative of the registered owner hereof in person or by its attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to said Treasurer duly executed by an authorized representative of the registered owner or its duly authorized attorney. This Note is also subject to exchange at the office of said Treasurer. Upon exchange or transfer of this Note, there shall be issued at the option of the registered owner or transferee another fully registered Note or Notes, in the denomination of $5,000 or any integral multiple thereof, of the aggregate principal amount equal to the unpaid amount of the exchanged or transferred Note. For every such exchange or transfer, the Treasurer may make a charge sufficient to reimburse his or her office for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Note upon such exchange or transfer and any other expenses of said Treasurer incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer; provided, that the Authority shall not be obligated to pay any such sum or sums as a condition precedent. The Treasurer shall not be obliged to make any such exchange or transfer of Notes during the ten (10) days preceding an interest payment date on this Note. Subject to such requirements for transfer, this Note is and has all the incidents of a negotiable instrument under the laws of the State of West Virginia.

This Note and the interest hereon shall be exempt from all taxation by the State of West Virginia or any

county, municipality, political subdivision or agency thereof.

This Note shall be exchanged for the Prior Note upon the maturity thereof, as a renewal thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of the Town, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that the Subordinate Sewer Revenue Bonds described above will be issued to refund this Note.

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

IN WITNESS WHEREOF, the Town of New Haven, West Virginia, has caused this Note to be signed by its Mayor, attested by its Town Recorder and its corporate seal to be hereunto affixed, all as of this 1st day of June, 1981.

_____
Mayor

(SEAL)

ATTEST:

_____
Town Recorder

[Form of assignment]

For value received, the undersigned sells, assigns and transfers unto _____ the Note of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____, attorney to transfer said Note on the Note Register, with full power of substitution in the premises.

_____

Dated: _____

In the presence of:

,

_____

Exhibit C

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MASON
TOWN OF NEW HAVEN
SEWER SYSTEM BOND ANTICIPATION RENEWAL NOTE,
198_ SERIES ___

No. NR-_ $_____

KNOW ALL MEN BY THESE PRESENTS: That the TOWN OF NEW HAVEN, a municipal corporation organized and existing under the laws of the State of West Virginia (the "Town"), for value received, hereby promises to pay, from the proceeds of certain Subordinate Sewer Revenue Bonds to be hereafter issued by the Town, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or its registered assigns, on the thirty-first day of May, 1982, the sum of _____ Dollars ($_____). Interest on said sum is payable from the date hereof at the rate of eight percent (8%) per annum on [the 28th day of August, 1981, for interest to September 1, 1981, on the 27th day of November, 1981, for interest to December 1, 1981, on the 26th day of February, 1982, for interest to March 1, 1982, and on] the 28th day of May, 1982, for interest to May 31, 1982, solely from the special funds provided therefor, as hereinafter set forth. The principal of this Note is payable in any coin or currency which, on the date of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through the Mason County Bank, New Haven, West Virginia; provided, however, that, if the Authority is the registered owner hereof, at the option of the Authority the principal of this Note may be paid by exchanging this Note with the aforementioned Subordinate Sewer Revenue Bonds. The interest on this Note is payable by check or draft mailed to the registered owner hereof at its address as it appears on the Note Register hereinafter provided for.

So long as the Authority is the registered owner hereof, this Note is subject to call on demand of the Authority upon fourteen (14) days' written notice to the Town. This Note is not prepayable or redeemable at the option of the Town.

This Note is issued as full [or partial] satisfaction of the interest coming due on the Town's Sewer System Bond

Anticipation Renewal Note, 1981 Series A (the "Renewal Note"), in the principal amount of $451,000 [, and on certain additional notes of the Town on a parity with the Renewal Note previously issued to satisfy interest payments then coming due]. The Renewal Note was issued as a renewal of the Town's $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, dated August 11, 1980 (the "Prior Note"), which Prior Note was issued to finance the cost of construction and acquisition of certain additions, betterments and improvements (the "Project") to the municipal sewage system (the "System") of the Town pending the issuance of certain Subordinate Sewer Revenue Bonds as described below, all under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Council of the Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as supplemented and amended on _____, 1981 (the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. Such renewal was specifically authorized by Section 7.01 of the Ordinance and said supplemental and amendatory resolution adopted on _____, 1981 (the "Resolution"), and the issuance of this Note was specifically authorized by the Resolution and by a resolution supplemental thereto adopted by the Council of the Town on _____, 198_.

This Note is issued in anticipation of certain Subordinate Sewer Revenue Bonds of the Town, and the principal of this Note is payable from the proceeds of such Subordinate Sewer Revenue Bonds to be issued at the maturity, or call prior to maturity, of this Note, as authorized by the Ordinance. Issuance of said Subordinate Sewer Revenue Bonds was authorized by the Ordinance, and the Authority has agreed to purchase such Bonds. To the extent the principal of this Note is not paid as provided above, it is payable from, and secured by a lien on, the net revenues to be derived from the operation of the System, in the custody and under the control of the Sanitary Board of the Town. Interest on this Note is payable from the net revenues derived from the operation of the System and from other funds of the Town available therefor and, to the extent not so payable, from the proceeds of additional notes, on a parity as to lien and source of and security for payment with the Renewal Note and this Note, to be issued from time to time in accordance with the Resolution; provided, that any interest accrued hereon, or on any notes on a parity herewith, after six (6) months after completion of construction or acquisition of the Project shall be paid from the net revenues derived from the operation of the System.

This Note does not constitute a corporate indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, nor shall said Town be obligated to pay the same or the interest hereon except from the proceeds of the Subordinate Sewer Revenue Bonds, said additional notes on a parity with the Renewal Note and with this Note or from the net revenues derived from the operation of said System or other funds of the Town available therefor. Under the Ordinance, the Town has entered into certain covenants with the registered owner of this Note for the terms of which reference is made to said Ordinance. Remedies provided the registered owner of this Note are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof. This Note is junior, subordinate and inferior as to source of payment and security from, and in all other respects with regard to, the net revenues derived from the operation of the System to $_____ in principal amount of the Town's Sewer Revenue Bonds, dated June 1, 1963, outstanding on the date hereof.

This Note is on a parity, as to lien and source of and security for payment with certain other Sewer System Bond Anticipation Renewal Notes of the Town, outstanding on the date hereof in the aggregate principal amount of $_____.

This Note may be transferred only upon the books of the Town which shall be kept for that purpose at the office of the Treasurer of the State of West Virginia (the "Note Register") by an authorized representative of the registered owner hereof in person or by its attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to said Treasurer duly executed by an authorized representative of the registered owner or its duly authorized attorney. This Note is also subject to exchange at the office of said Treasurer. Upon exchange or transfer of this Note, there shall be issued at the option of the registered owner or transferee another fully registered Note or Notes, in the denomination of $5,000 or any integral multiple thereof, of the aggregate principal amount equal to the unpaid amount of the exchanged or transferred Note. For every such exchange or transfer, the Treasurer may make a charge sufficient to reimburse his or her office for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Note upon such exchange or transfer and any other expenses of said Treasurer incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer; provided, that the Authority shall not be obligated to pay any such sum or sums as a condition precedent. The Treasurer shall not be obliged to make any

such exchange or transfer of Notes during the ten (10) days preceding an interest payment date on this Note. Subject to such requirements for transfer, this Note is and has all the incidents of a negotiable instrument under the laws of the State of West Virginia.

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

This Note shall be delivered to the Authority as full [or partial] satisfaction of the interest payment on the Renewal Note [and said additional notes previously issued on a parity therewith] coming due on _____, 198_.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of the Town, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that the Subordinate Sewer Revenue Bonds described above will be issued to refund this Note.

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

IN WITNESS WHEREOF, the Town of New Haven, West Virginia, has caused this Note to be signed by its Mayor, attested by its Town Recorder and its corporate seal to be hereunto affixed, all as of this _____ day of _____, 198_.

_____
Mayor

(SEAL)

ATTEST:

_____
Town Recorder

[Form of assignment]

For value received, the undersigned sells, assigns and transfers unto _____ the Note of the Town of New Haven, West Virginia, and does hereby irrevocably constitute and appoint _____ _____, attorney to transfer said Note on the Note Register, with full power of substitution in the premises.

_____

Dated: _____

In the presence of:

_____

Resolution

Introduced in Council _____ Introduced by _____

Adopted by Council _____

A Resolution supplementing a resolution entitled "A Resolution supplementing and amending an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, and as supplemented on August 4, 1980; authorizing the renewal of $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980, of the Town of New Haven by the issuance by said Town in exchange therefor of $451,000 in principal amount of a Sewer System Bond Anticipation Renewal Note, 1981 Series A; and providing for the issuance by said Town of certain additional notes, on a parity with said Sewer System Bond Anticipation Renewal Note, 1981 Series A, to satisfy the interest coming due thereon"; and authorizing the issuance and delivery to said Authority of $_____ in principal amount of a Sewer System Bond Anticipation Renewal Note, 198_ Series _.

WHEREAS, by a resolution entitled "A Resolution supplementing and amending an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal

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

WHEREAS, there were also authorized to be issued from time to time additional notes, on a parity as to lien and source of and security for payment with the Renewal Note (the "Additional Notes"), to the extent interest on the Renewal Note or on any Additional Note previously issued is not payable from the net revenues derived from the operation of the System, as defined in the Original Resolution, or from other funds of the Town available therefor; and

WHEREAS, the Town does not have net revenues derived from the operation of the System sufficient to pay interest on the Renewal Note [and on the Sewer System Bond Anticipation Renewal Note, 198_ Series _,] coming due on _____, 198_, to the extent of $_____, and

there are no other funds of the Town available for such payment; and

WHEREAS, the Original Resolution provided that any Additional Note be particularly authorized by a resolution supplemental thereto;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN, WEST VIRGINIA, as follows:

1. An Additional Note, to be designated "Sewer System Bond Anticipation Renewal Note, 198_ , Series __, shall be issued in the aggregate principal amount of $_____; shall be dated the date of delivery thereof; and shall bear interest from the date thereof to the date of maturity thereof at the rate of eight (8%) percent per annum, payable on [August 28, 1981, for interest to September 1, 1981, on] [November 27, 1981, for interest to December 1, 1981, on] [February 26, 1982, for interest to March 1, 1982, and on] May 28, 1982, for interest to May 31, 1982.

2. Said Additional Note shall be on a parity as to lien and source of and security for payment with the Renewal Note [and other Additional Notes] of the Town, outstanding on the date hereof in the aggregate principal amount of $_____.

3. The remaining terms of the Original Resolution shall apply to the Additional Note specifically authorized hereby.

4. Said Additional Note shall be issued and delivered to the Authority as soon as practicable after the Authority consents to the purchase thereof, but in no event later than _____, 198_, and the Mayor and Town Recorder of the Town are hereby authorized and directed to execute, seal and deliver said Additional Note and to take any other actions and execute and deliver any other documents necessary and proper in connection with such execution and delivery of said Additional Note.

5. This resolution shall take effect immediately upon adoption.

RESOLUTION

Introduced in Council

June 8, 1982

Introduced by

Harry Hoffman

Adopted by Council, as amended

June 8 1982

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

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

Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, and as supplemented on August 4, 1980; authorizing the renewal of $451,000 in aggregate principal amount of Sewer System Bond Anticipation Notes, Series 1980, of the Town of New Haven by the issuance by said Town in exchange therefor of $451,000 in principal amount of a Sewer System Bond Anticipation Renewal Note, 1981 Series A; and providing for the issuance by said Town of certain additional notes, on a parity with said Sewer System Bond Anticipation Renewal Note, 1981 Series A, to satisfy the interest coming due thereon" (the "Renewal Note Resolution"), adopted by the Council of the Town of New Haven, West Virginia (the "Town"), on July 28, 1981, there was authorized and issued to the West Virginia Water Development Authority (the "Authority"), the Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A (the "Renewal Note"); and

WHEREAS, the Renewal Note was issued in accordance with Subsection 4.1(b)(iii) of the Loan Agreement, dated August 11, 1980, between the Town and the Authority (the "Loan Agreement"), and Section 7.01 of said ordinance enacted by the Council of the Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as further supplemented and amended by the Renewal Note Resolution (collectively, the "Local Act"); and

WHEREAS, the Renewal Note, outstanding in the principal amount of $451,000, was scheduled to mature on May 31, 1982; and

WHEREAS, the Authority, by letter dated May 24, 1982, a copy of which is attached as Exhibit A hereto and incorporated herein by reference (the "Extension Letter"), has extended the stated maturity of the Renewal Note to November 30, 1982, and has expressly waived any event of default under the Local Act, the Loan Agreement or the Renewal Note for nonpayment of the Renewal Note on May 31, 1982, upon the terms set forth in the Extension Letter; and

WHEREAS, it is in the best interests of the Town and the inhabitants thereof to accept said extension and waiver, and the terms thereof;

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

1. The Authority's extension of the stated maturity of the Renewal Note from May 31, 1982, to November 30, 1982, its waiver of an event of default under the Local Act, the Loan Agreement and the Renewal Note and the terms thereof, all as set forth in the Extension Letter, are hereby accepted.

2. The Mayor's execution of the duplicate of the Extension Letter, and the Clerk's return of such executed duplicate to the Authority is hereby approved and ratified.

3. This Resolution shall take effect immediately upon adoption.

STATE OF WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY
1201 DUNBAR AVENUE
DUNBAR, WV 25064

(304) 348-3612

May 24, 1982

The Town of New Haven,
West Virginia
Town Hall
New Haven, WV 25265

Re: $451,000 Sewer System Bond Anticipation Renewal Note, 1981 Series A, Due May 31, 1982

Gentlemen:

The West Virginia Water Development Authority (the "Authority") is the registered owner of the Sewer System Bond Anticipation Renewal Note, 1981 Series A, dated June 1, 1981 (the "Renewal Note"), in the principal amount of $451,000, of The Town of New Haven, West Virginia (the "Town"). The Renewal Note was issued in accordance with Subsection 4.1(b)(iii) of the Loan Agreement, dated August 11, 1980, between the Town and the Authority (the "Loan Agreement"), and Section 7.01 of the ordinance enacted by the Council of the Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as further supplemented and amended on July 28, 1981 (the "Local Act"), pursuant to said supplemental and amendatory resolution adopted on July 28, 1981 (the "Renewal Note Resolution"). The Renewal Note matures on May 31, 1982.

The Renewal Note is payable from, among other sources, the proceeds of certain sewer revenue bonds to be issued by the Town and sold to the Authority pursuant to the Loan Agreement (the "Local Bonds"). Purchase of the Local Bonds by the Authority was conditioned upon issuance and sale by the Authority of its next series of Water Development Revenue Bonds (Sewage Systems Loan Program).

The Authority anticipates issuing and selling its West Virginia Water Development Authority Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), prior to August 1, 1982. Accordingly, subject to the right of prepayment described below, the Authority hereby extends the stated maturity of the Renewal Note to November 30, 1982, and expressly waives any event of default under the Local Act, the Loan Agreement or the Renewal Note for nonpayment of the Renewal Note on May 31, 1982.

The Renewal Note shall continue to bear interest until paid in full at the rate of eight percent (8%) per annum, payable on August 30, 1982, for interest to September 1, 1982, and on November 30, 1982, for interest to such date.

Notwithstanding any of the foregoing, the Town may issue and sell its Local Bonds to the Authority at any time after issuance of the 1982 Series A Bonds, and prior to November 30, 1982, when the Town complies with the conditions precedent set forth in the Loan Agreement. Upon delivery to the Authority of the Local Bonds in the requisite principal amount, interest will cease to accrue on the Renewal Note, and said Renewal Note, together with any interest thereon payable from Local Bond proceeds, must be paid in full.

Except as set forth above, all terms and provisions of and security for the Renewal Note shall be as provided in the Renewal Note Resolution.

Please signify your acceptance of the extension and waiver, and terms thereof, set forth above by executing the duplicate of this letter enclosed and returning it to the Authority, together with a certified copy of the resolution and the opinion of Bond Counsel described below, prior to May 31, 1982, if possible, but in no event later than June 8, 1982. A form resolution authorizing such acceptance and a form of opinion as to the validity of this agreement have been sent to Jackson, Kelly, Holt & O'Farrell, the Town's Bond Counsel. Upon the Authority's receipt of the executed duplicate of this letter, a certified copy of the authorizing resolution or other official action and the requisite opinion of Bond Counsel, this letter shall become an agreement binding upon both the Authority and the Town.

Very truly yours,

Edgar N. Henry

Edgar N. Henry
Director

Accepted this ___ day of _____, 1982.

_____
Mayor, The Town of New Haven

cc: Taunja Willis Miller

P. S. Also prior to June 8, 1982, the Town must enter into a new Loan Agreement with the Authority. Such Loan Agreement has been sent to Bond Counsel, who should be contacting you early this week.

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned WENDY L. DIVERS, Recorder of the The Town of New Haven, West Virginia, hereby certify that the copy of the resolution entitled "A Resolution supplementing an ordinance entitled 'An Ordinance authorizing the construction and acquisition of certain additions, betterments and improvements to the municipal sewage system of the Town of New Haven, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the Town of New Haven of not more than $451,000 in principal amount of Sewer System Bond Anticipation Notes, Series 1980, and the issuance by said Town of certain Subordinate Sewer Revenue Bonds to refund such Sewer System Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds; authorizing the sale of such Sewer System Bond Anticipation Notes and such Subordinate Sewer Revenue Bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the Town and said Authority; and adopting other provisions relating thereto,' enacted by the Council of said Town on July 8, 1980, as amended on July 22, 1980, as supplemented on August 4, 1980, and as further supplemented and amended on July 28, 1981, and accepting said Water Development Authority's extension of the stated maturity date of said Town's Sewer System Bond Anticipation Renewal Note, 1981 Series A, from May 31, 1981, to November 30, 1982," attached hereto is a true and accurate copy of said Resolution as adopted by the Council of the Town of New Haven at a special emergency meeting on June 8, 1982. Said meeting was duly called and held in accordance with the rules of procedure of the Council, and a quorum of Council members was present and acting throughout said meeting.

WITNESS my signature and the seal of The Town of New Haven, West Virginia, this 8th day of June, 1982.

Wendy L. Divers
Recorder, The Town of New Haven

[SEAL]

ORDINANCE

Introduced in Council

July 1, 1980

Introduced by

Frank Young Jr.

Passed by Council

July 9, 1980

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

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

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

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

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

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

issued in the aggregate principal amount of $140,000, certain of which Prior Bonds are

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

AUTHORIZATION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SYSTEM

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

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

ARTICLE III

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

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

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

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

Section 3.02. Execution of Bonds and Coupons. Said Bonds shall be executed in the name of the Town by the Mayor, and the seal of the Town shall be affixed thereto and attested by the Town Recorder. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Town before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Town by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Town although at the date of such Bonds such person may not have held such office or may not have been so authorized.

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

Section 3.03. Negotiability, Transfer and Registration. The Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds or the coupons appertaining thereto, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

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

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

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

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

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

[Form of Bond]

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

No._____

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

under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, or at the option of the holder at the _____.

Year	Principal Installment	Interest Rate

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the said Town has caused this Bond to be signed by its Mayor, attested by its Town Recorder and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the manual

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

_____
Mayor

ATTEST:

_____
Town Recorder

(Form of Coupon]

No. _____ $_____

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

_____

Mayor

_____

Town Recorder

_____

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

Date of Registration	In Whose Name Registered	Signature of Registrar

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

ARTICLE IV

SECURITY OF BONDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Said Sinking Fund shall be used solely and only and is hereby pledged for the purpose of servicing the Bonds and any additional bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions hereinafter set forth.

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

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

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

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

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

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

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

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

ARTICLE V

BONDS TO REFUND NOTES

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

ARTICLE VI

ADDITIONAL COVENANTS OF THE TOWN

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

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

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

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

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

Section 6.04. Rates. Prior to the issuance of the Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the Sanitary Board and in the office of the Town Recorder, each of which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce gross revenues from said System to pay operating expenses and to make the prescribed payments on behalf of the Prior Bonds and into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Town hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide for all reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least 130% of the maximum amount required in any ensuing year to pay the

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

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

Section 6.06. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Notes or the Bonds outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Fund, and, in the event the Authority is no longer a Bondholder, the Town shall direct the Commission to apply such proceeds to the payment of principal and interest at maturity of the Bonds about to mature. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Town by the Commission unless necessary for the payment of other obligations of the Town payable out of the revenues of the System. With respect to the Notes, such proceeds in an amount sufficient to pay in full the Notes shall be remitted to the Holder thereof.

The foregoing provision notwithstanding, the Town shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of Ten Thousand Dollars ($10,000), the Sanitary Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Town Council may then provide for the sale

of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of Ten Thousand Dollars ($10,000) but not in excess of Fifty Thousand Dollars ($50,000), the Sanitary Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Town Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be remitted by the Town to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then outstanding at prices not greater than the par value thereof plus three per centum (3%) of such par value. Such payments of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Town if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay all the Bonds then outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in amount of the Bonds then outstanding. The Town shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The Town shall not issue any other obligations whatsoever, payable from the proceeds of the Bonds or the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such proceeds or revenues with the Notes or the Bonds; provided, that additional bonds on a parity with the Bonds may be issued as provided for in Section 6.08 hereof. All obligations hereafter

issued by the Town payable from the revenues of the System, except such additional parity bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Notes and the Bonds; provided, however, that no such subordinate obligations shall be issued unless the Reserve Account in the Sinking Fund is funded to the extent that no further payments are required thereto as provided in Section 4.01(A)(2).

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

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

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

No such additional parity bonds shall be issued at any time, however, unless and until there has been procured and filed with the Town Recorder a written statement by a certified public accountant not in the regular employ of the Town, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any twelve (12) consecutive months, within the eighteen (18) months

immediately preceding the date of the actual issuance of such additional parity bonds, plus the estimated average increased annual net revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such additional parity bonds, shall not be less than one hundred thirty percent (130%) of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the following:

(1) The Bonds originally issued pursuant to the Ordinance then outstanding;

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

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

The "estimated average increased annual net revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased net revenues estimated to be derived from (a) the improvements to be financed by such additional parity bonds and (b) any increase in rates authorized by the Town, the time for appeal to the Public Service Commission of West Virginia regarding which shall have expired prior to the date of delivery of such additional parity bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Town Recorder prior to the issuance of such additional parity bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The accounting system for the System shall follow currently accepted accounting practices and safeguards. Separate control accounting records shall be maintained by the Town. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other book-keeping records as prescribed by the Town. The Town shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Town shall be reported to such agent of the Town as the Council of the Town shall direct.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 7.03. Negotiability, Transfer and Registration. The Notes shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting said Notes or the coupons appertaining thereto, shall be conclusively deemed to have agreed that such Notes shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Notes shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Notes.

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

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

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

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

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

[Form of Note]

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

No._____ $451,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

_____
Mayor

ATTEST:

_____
Town Recorder

[Form of Coupon]

No. _____ $_____

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

_____

Mayor

_____

Town Recorder

_____

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

Date of Registration	In Whose Name Registered	Signature of Registrar

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

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

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

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

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

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

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

ARTICLE VIII

APPLICATION OF NOTE PROCEEDS

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

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

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

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

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

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

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

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

ARTICLE IX

MISCELLANEOUS

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

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

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

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

d the Daily Sentinel, two

1 New Haven Fire Station

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

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

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

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

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

Bonds or coupons or interest installments for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the paying agent at the same or earlier time, shall be sufficient, to pay as and when due the principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds and all coupons appertaining to such Bonds shall prior to the maturity thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same time, shall be sufficient, to pay when due the principal of and interest due and to become due on said Bonds on and prior to the maturity dates thereof, as the case may be. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on said Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Town, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Governmental Obligations.

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

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

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

Exhibit A

LOAN AGREEMENT

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

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

ARTICLE II

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

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

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Local Notes and the Local Bonds.

ARTICLE III

Conditions to Interim Loan; Issuance of Local Notes

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

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

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Local Notes in the principal amount and at the price stated in Section 3.2 hereof;

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

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

(i) The Governmental Agency shall have taken necessary actions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ix) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue

and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xi) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiii) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xiv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xv) That the proceeds of Local Notes, except for capitalized interest, which may be immediately deposited in a sinking fund, must be deposited in a construction fund on which the holder of the Local Notes and the Local Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

The Governmental Agency hereby represents and warrants that the Local Act shall be duly adopted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Local Notes shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A-1.

4.2 The Interim Loan shall be secured by, among other things, the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the proceeds of the Local Bonds or other obligations of the Governmental Agency issued to refund the Local Notes and all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in

the Local Act, subject only to such reservations and exceptions as are expressly permitted in writing by the Authority.

4.3 The principal of the Interim Loan shall be repaid by the Governmental Agency, and the Interim Loan shall bear interest, as provided in Section 4.1(b) hereof. The Local Notes shall be, to the extent permitted by law, fully registered in the name of the Authority.

ARTICLE V

Conditions to Loan; Issuance of Local Bonds

5.1 The agreement of the Authority to make the Loan is subject to the fulfillment, to the satisfaction of the Authority, of each and all certain conditions precedent on or before the delivery date of the Local Bonds, which shall be a date determined by the Authority. Said conditions precedent are as follows:

(a) The Governmental Agency shall be in compliance with the conditions precedent set forth in subsections 3.1(a), (c), (e), (f) and (g) hereof, met with respect to the Interim Loan;

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Local Bonds as set forth in Section 5.2 hereof;

(c) The Governmental Agency shall have obtained all requisite orders and approvals from the West Virginia Public Service Commission necessary for the issuance of the Local Bonds and construction of the Project, and shall have taken all necessary actions with respect to the imposition of the rates required to comply with the provisions of Section 4.1(c)(ii) hereof.

5.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the Loan to the Governmental Agency and the Governmental Agency shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the Loan by purchasing the Local

Bonds in the principal amount and at the price set forth in the Supplementary Act.

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

ARTICLE VI

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

6.1 As one of the conditions of the Authority to make the Loan, the Local Act enacted by the Governmental Agency prior to the issuance of the Local Notes shall be in full force and effect and, except as required herein with respect to the Supplementary Act, shall not have been amended, supplemented or modified to alter in any way the provisions and covenants required by Section 4.1 of this Loan Agreement, and the Governmental Agency shall issue the Local Bonds pursuant to the Local Act.

The Governmental Agency hereby represents and warrants with respect to the Loan that the Local Act (including the Supplementary Act) shall be duly enacted in compliance with all necessary corporate and other actions and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Local Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A-2.

6.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are expressly permitted in writing by the Authority.

6.3 The principal of the Loan shall be repaid by the Governmental Agency annually on the day and in the years provided in the Supplementary Act.

6.4 The Loan shall bear interest from the date of delivery to the Authority of the Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or rates

per annum borne by the Second Series Bonds for corresponding maturities issued to provide the funds to make the Loan; provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. Interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in the Supplementary Act.

6.5 If allowable under the statute authorizing the issuance of the Local Bonds at the time of issuance thereof, the Local Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency. If registrable as to principal only pursuant to the statute authorizing the issuance of the Local Bonds at the time of issuance thereof, the principal of the Local Bonds shall be registered to the Authority concurrently with the delivery of the Local Bonds to the Authority.

6.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the Second Series Bonds. Such administrative expenses shall be as determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such Second Series Bonds.

6.7 As long as the Authority is the registered owner of all the Local Bonds outstanding, the Governmental Agency will not redeem such Local Bonds outstanding without the written consent of the Authority, and any such redemption authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's Second Series Bonds and the redemption premium, if any, payable on the Second Series Bonds redeemable as a consequence of such redemption of the Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its Second Series Bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE VII

Acquisition of Site of Eligible Project; Certain Construction Requirements

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

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

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

7.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear.

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

ARTICLE VIII

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

8.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Interim Loan, it will fix and collect as set forth in Sections 3.1(d) and 4.1(b)(i) hereof, the rates, fees and other charges for the use of the System, of which the Project constitutes a whole or a part, required by the Authority with respect to interest rate and maturity of the Local Bonds. As one of the conditions of the Authority to make the Loan, it will have fixed and collected, or will collect, as set forth in Section 3.1(d), 4.1(b)(i) and 5.1(c) hereof, said required rates, fees and other charges.

8.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Notes or the Local Bonds, from the date of the default until the date of the payment thereof.

8.3 In the event, for any reason, the schedule of rates, fees and charges required by the Authority pursuant to Sections 3.1(d), 4.1(b)(i) and 5.1(c) hereof shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the extent or in the manner authorized by law, immediately adjust and increase such schedule

of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act.

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

8.5 The Governmental Agency hereby agrees to adopt a resolution supplementary to the Local Act for the purpose of making certain determinations with respect to the Local Bonds, including, by way of illustration, establishing the principal amount thereof, the interest rate thereon and the maturity schedule therefor, when requested and as prescribed by the Authority, but in no event shall the principal amount of the Local Bonds exceed the amount determined pursuant to Section 4.1(b)(vi)(A) hereof without the mutual consent of the parties hereto.

ARTICLE IX

Other Agreements of the Governmental Agency

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

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

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

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

9.5 The Governmental Agency hereby assigns the proceeds from the Local Bonds, to the extent required, to the Authority to refund the Local Notes.

ARTICLE X

Maintenance and Operation

10.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Loan Agreement.

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

ARTICLE XI

Miscellaneous

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

THE TOWN OF NEW HAVEN, WEST VIRGINIA

(SEAL)

By _____
Its Mayor

Attest:

Date: _____

_____
Its Recorder

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By _____
Its Director

Attest:

Date: _____

_____
Its Secretary-Treasurer

EXHIBIT A-1

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Interim Loan Closing]

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

Gentlemen:

We are bond counsel to the Town of New Haven (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement (the "Loan Agreement"), dated _____, 19__, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of bond anticipation notes of the Governmental Agency, dated _____, 19__ (the "Local Note"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement, in the principal amount of $451,000.00, issued in the form of one note registered as to principal to the Authority, bearing coupons representing interest payable from the date thereof for the periods on which interest is payable on the bond anticipation notes issued by the Authority to finance the purchase of the Local Note two days in advance of the interest payment dates for said notes of the Authority, being _____, at the rate of eight percent (8%) per annum.

The Local Note shall mature on June 1, 1981, unless renewed at the option of the Authority for a period of not to exceed one year at interest rates to be established by the Authority, but in no event shall such interest rates exceed the maximum permissible rates of interest which the Governmental Agency may pay under applicable State law. Further, the Local Note is subject to call on demand of the

Authority upon fourteen (14) days' written notice to the Governmental Agency. The Local Note is issued for the purpose of providing funds to finance, in part, the construction and acquisition of certain additions, betterments and improvements (the "Project") to the sewage system (the "System") of the Governmental Agency as described in the Loan Agreement. The Local Note is issued in anticipation of and will be refunded with the proceeds of revenue bonds of the Governmental Agency (the "Local Bond").

We have also examined the applicable provisions of Chapter 16, Article 13, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Local Note is issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Local Note has been authorized by a bond and note ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing municipality, with full power and authority to construct, acquire, operate and maintain the Project and to issue and sell the Local Note and, subsequently, the Local Bond, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Local Note and has duly authorized the subsequent issuance of the Local Bond.

5. The Local Note is a valid and legally enforceable special obligation of the Governmental Agency, payable from the proceeds of the Local Bond and from the net revenues of the System and secured by a pledge of the proceeds of the Local Bond and a lien on and pledge of the net revenues of the System, all in accordance with the terms of the Local Note and the Local Act, and has been duly issued and delivered to the Authority.

6. The Governmental Agency has covenanted and made provisions to issue the Local Bond to refund the Local Note, which Local Bond shall comply in all respects with the requirements set forth in the Loan Agreement.

7. The conditions of Section 4.2 of the resolution adopted by the Authority on May 12, 1980, pursuant to which the bond anticipation notes of the Authority were issued, have been satisfied.

8. The Local Note and the interest thereon are, by statute, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Note is exempt from Federal income taxation.

We have examined executed Local Note numbered N-1, and in our opinion the form of said note and its execution are regular and proper.

Very truly yours,

EXHIBIT A-2

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

We are bond counsel to the Town of New Haven (the "Governmental Agency"), a municipal corporation organized and existing under the laws of the State of West Virginia.

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

Year	Installment	Interest Rate

The Local Bond is issued for the purpose of refunding the bond anticipation note of the Governmental Agency, dated _____, 19__, and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Local Bond is issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Local Bond has been authorized by a bond and note ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those required by Section 6.1, and set forth in Section 4.1, of the Loan Agreement. The Local Bond is subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing municipality, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Local Bond, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary ordinances and resolutions in connection with the issuance and sale of the Local Bond.

5. The rates, fees and other charges for the services and facilities of the system referred to in the Local Act are not subject to approval by the West Virginia Public Service Commission.

6. The Local Bond is a valid and legally enforceable special obligation of the Governmental Agency, payable from the net revenues of the system referred to in the Local Act and secured by a lien on and pledge of the net revenues of the system referred to in the Local Act, all in accordance with the terms of the Local Bond and the Local Act, and has been duly issued and delivered to the Authority.

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

8. The Local Bond and the interest thereon are, by statute, exempt from all taxation by the State of West Virginia and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

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

Very truly yours,

or any county, municipality, political subdivision or agency thereof,

Exhibit B

Description of Project

The Step III project consists of expanding the Town of New Haven's collection system and enlarging the present primary wastewater plant to a 0.4 mgd contact stabilization secondary treatment plant.

Ordinance No. _____

TOWN OF NEW HAVEN

SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2010 A

BOND ORDINANCE

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Ordinance No. _____

TOWN OF NEW HAVEN

ORDINANCE AUTHORIZING THE REFUNDING OF THE SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 OF THE TOWN OF NEW HAVEN THROUGH THE ISSUANCE BY THE TOWN OF NEW HAVEN OF NOT MORE THAN $400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2010 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NEW HAVEN:

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolutions supplemental hereto, the "Bond Legislation") is adopted 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 as follows:

A. The Town of New Haven (the "Issuer") is a municipality and political subdivision of the State of West Virginia in Mason County of said State.

B. The Issuer now owns and operates a public sewerage system. The refunding of the Sewer System Revenue Refunding Bonds, Series 2004, as hereinafter defined, is authorized and provided for and is a public purpose of the Issuer and is ordered for the purpose of meeting and serving public convenience and necessity. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the Sewer System Revenue Refunding Bonds, Series 2004 be refunded. The existing public sewerage system of the Issuer, which constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste and any further additions, betterments and improvements thereto are herein called the "System".

C. The Issuer has heretofore issued its Sewer System Refunding Revenue Bonds, Series 2004, dated March 30, 2004, issued in the original aggregate principal amount of $525,000 (the "Series 2004 Bonds").

D. It is in the best interest of the Issuer that the Series 2004 Bonds be currently refunded in order to allow the Issuer to take advantage of the interest savings.

E. It is deemed necessary for the Issuer to issue its Sewer System Refunding Revenue Bonds, Series 2010 A (the "Series 2010 A Bonds") in the total aggregate principal amount of not more than $400,000 to pay in full the principal of and interest accrued on the Series 2004 Bonds, to fund the Series 2010 A Bonds Reserve Account, as hereinafter defined, and to pay costs of issuance thereof and related costs.

F. It is in the best interest of the Issuer that the Series 2010 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of the commitment letter of the Purchaser.

G. The Issuer has complied with all requirements of West Virginia law relating to authorization of the refunding of the Series 2004 Bonds, and the issuance of the Series 2010 A Bonds, or will have so complied prior to issuance of the Series 2010 A Bonds.

H. Upon the refunding of the Series 2004 Bonds, the Issuer will have the following outstanding obligations which will rank on a parity with the Series 2010 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Supplemental Subordinate Sewer Revenue Bonds, Series 1982 B (West Virginia Water Development Authority), dated October 27, 1982, issued in the original aggregate principal amount of $89,500 (the "Series 1982 B Bonds" or the "Prior Bonds").

The Series 2010 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2010 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the 1982 B Bonds are met, and (ii) the written consent of the Holders of the Series 1982 B Bonds, to the issuance of the Series 2010 B Bonds on a parity with the Series 1982 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 the covenants of the Prior Bonds and the Prior Ordinance.

I. 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 2010 Bonds for the purposes set forth herein.

The Issuer has complied with all requirements of West Virginia law relating to authorization and issuance of the Series 2010 A Bonds.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 A Bonds by those who shall be the Registered Owner 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 Registered Owner, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2010 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"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 any 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" or "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 2010 A Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder of by another resolution of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for all or a portion of the proceeds thereof representing the purchase price of the Bonds by the Purchaser.

"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.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"FDIC" means the Federal Deposit Insurance Corporation or 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 City 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 the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts.

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

"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" means the Town of New Haven, a municipal corporation and political subdivision of the State of West Virginia in Mason County, 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 2010 A Bonds, plus accrued interest and premium, if any, and less original issue discount, if any. 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 2010 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, fees and expenses of fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as hereinafter defined), 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 Series 2010 A Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Parity Bonds" means additional Parity Bonds issued under the provisions and within the limitations prescribed by Section 5.04 hereof.

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

"Prior Bonds" means the series 1982 B Bonds

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

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Purchaser" means the purchaser or purchasers of the Series 2010 A Bonds directly from the Issuer designated as such in the Supplemental Resolution and its successors and assigns.

"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 Board of Treasury Investments pursuant to Chapter 12, Article 6C 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 or Standard & Poor's Corporation.

"Recorder" means the Recorder of the Issuer.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Prior Bond Ordinance.

"Series 1982 B Bonds" means the Issuer's Supplemental Subordinate Sewer Revenue Bonds, Series 1982 B (West Virginia Water Development Authority), dated October 27, 1982, issued in the original aggregate principal amount of $89,500.

"Series 2004 Bonds" means the Issuer's Sewer System Refunding Revenue Bonds, Series 2004, dated October 14, 2004, issued in the original aggregate principal amount of $525,000.

"Series 2010 A Bonds" means the Issuer's Sewer System Refunding Revenue Bonds, Series 2010 A, authorized herein.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account created by Section 4.02 hereof.

"Series 2010 A Bonds Reserve Requirement" means $19,723.

"Series 2010 A Bonds Sinking Fund" means the Series 2010 A Bonds Sinking Fund created by Section 4.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution 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 2010 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2010 A Bonds and not so included may be included in another Supplemental Resolution.

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

"Sanitary Board" means the Sanitary Board of the Town as now or hereafter constituted or any other agency, department or instrumentality of the Town which shall any time have jurisdiction, possession or control of the System or the management and operation hereof.

"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 REFUNDING

Section 2.01. Authorization of Refunding. All Series 2004 Bonds Outstanding as of the date of issuance of the Series 2010 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be refunded and paid in full and the pledge of Gross Revenues in favor of the Holders of the Series 2004 Bonds imposed by the Prior Bond Ordinance, the monies in the funds and accounts created by the Prior Bond Ordinance pledged to payment of the Series 2004 Bonds, and any other funds pledged by the Prior Bond Ordinance to payment of the Series 2004 Bonds are hereby ordered terminated, discharged and released upon such payment to the Holders of the Series 2004 Bonds. Contemporaneously with the payment in full of the Series 2004 Bonds, the amounts on deposit in the sinking fund, and all other funds and accounts created and maintained on behalf of the Series 2004 Bonds, shall be released from the lien created by the Prior Bond Ordinance. The portion of the proceeds of the Series 2010 A Bonds hereby authorized to be applied towards the refunding of the Series 2004 Bonds shall be applied as provided in Article III hereof.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purpose of refunding the Series 2004 Bonds, funding the Series 2010 A Bonds Reserve Account and paying certain costs of issuance and related costs not otherwise provided for, or any all of such purposes, there is hereby authorized to be issued the Sewer System Refunding Revenue Bonds, Series 2010 A, of the Issuer, in the aggregate principal amount of not more than $400,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2010 A Bonds shall be issued in single form, numbered AR-1, and only as a fully registered Bond. The Series 2010 A Bonds shall be dated such date; shall be in such principal amount, not to exceed 400,000; shall bear interest at such rate or rates, not exceeding the then legally permissible limit on such dates; shall mature on such dates and in such amounts; and shall be subject to such repayment or redemption,

prepayment penalty all as the Issuer shall prescribe in the Supplemental Resolution. The Series 2010 A Bonds shall be payable as to principal and interest at the office of the Paying Agent in any coin or currency which, on the dates of payment is legal tender for the payment of public or private debts under the laws of the United States of America.

Section 3.03. Execution of Bonds. The Series 2010 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 2010 A Bonds shall cease to be such officer of the Issuer before the Series 2010 A Bonds so signed and sealed have been actually sold and delivered, the Series 2010 A 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. The Series 2010 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2010 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.09 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 2010 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2010 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of the Series 2010 A Bonds, shall be conclusively deemed to have agreed that such Bond 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 Bond shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2010 A Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Series 2010 A Bonds.

The registered Series 2010 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 the Series 2010 A Bonds or transferring the registered Bonds are exercised, the Bonds shall be delivered in accordance with the provisions of this Bond Legislation. Any Series 2010 A Bond surrendered in any such

exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of the Series 2010 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 such 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 person requesting such exchange or transfer, as a condition precedent to the exercise of the privilege of making such transfer. The Bond Registrar shall not be obliged to make any such exchange or transfer of the Series 2010 A Bonds during the 15 days preceding a scheduled payment date on such Bonds or after notice of any prepayment of such Bonds has been given.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2010 A 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 Series 2010 A Bond of like tenor as the Bond 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 Series 2010 A 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 reasonable expenses as the Issuer and the Bond Registrar may incur. The Series 2010 A Bond 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 Series 2010 A 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 2010 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2010 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the Series 2010 A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2010 A Bonds, the Prior Bonds and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Form of Bond. The text of the Series 2010 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

[FORM OF BOND]

TOWN OF NEW HAVEN
SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2010 A

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____ _____, 2010, the TOWN OF NEW HAVEN, a municipal corporation and political subdivision of the State of West Virginia in Mason 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 order of

_____

or registered assigns (the "Payee"), the principal sum of _____ DOLLARS ($_____), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of ____% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at a rate of ____% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

C. This Bond shall be payable in ____ installments commencing on the 1st day of _____, 2010 and on the 1st day of each month thereafter, to and including _____, 20___. The monthly installments shall consist of principal and interest as listed on the attached debt service schedule attached hereto as EXHIBIT A.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond unpaid on _____, 20___ together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is payable in any coin or currency which on the date of payment thereof 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 is issued to (i) refund the Issuer's Sewer System Refunding Revenue Bonds, Series 2004; (ii) fund the Series 2010 A Bonds Reserve Account; and (iii) pay costs of issuance and related costs. The existing public sewerage system facilities of the Issuer, and any further additions, improvements or extensions 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 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on _____, 2010, and a Supplemental Resolution, duly adopted by the Issuer on _____, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT BEING THE ISSUER'S SUPPLEMENTAL SUBORDINATE SEWER REVENUE BONDS, SERIES 1982 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 27, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $89,500 (THE "SERIES 1982 B BONDS" OR THE "PRIOR BONDS").

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 the source set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Payee, for the terms of which reference is made to said Bond Legislation. Remedies provided the Payee 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 _____, _____, West Virginia, as Registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to such registration requirements, 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.

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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 Gross Revenues of the System has been pledged to and will be set aside 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.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF NEW HAVEN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated the day and year first written above.

TOWN OF NEW HAVEN

[SEAL]

By: _____
Its: Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____, 2010

_____,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

Debt Service Schedule

[Form of Assignment]

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

Dated: _____, 20___.

_____

In the presence of:

_____

Section 3.10. Sale of Bonds. The Series 2010 A Bonds shall be sold to the Purchaser contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, the adoption of the Supplemental Resolution; provided, that the Purchaser and the Issuer shall have agreed to the purchase thereof.

Section 3.11. Disposition of Bond Proceeds. From the monies received from the sale of the Series 2010 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 A Bonds, the Issuer shall forthwith wire from the proceeds of the Series 2010 A Bonds an amount as specified in Supplemental Resolution which is equal to the amount necessary to pay in full the entire principal of and interest accrued on the Series 2004 Bonds directly to the Holders of the Series 2004 Bonds.

B. Next, the Purchaser shall pay to the Municipal Bond Commission an amount as specified in the Supplemental Resolution which is equal to the amount necessary to fully fund the Series 2010 A Bonds Reserve Account.

C. Next, the Purchaser shall pay the costs of issuance of the Series 2010 A Bonds.

Section 3.12. Designation of Bonds "Qualified Tax-Exempt Obligations." The Issuer hereby designates the Series 2010 A Bonds as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3)(B) of the Code and covenants that the Bond does not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $30,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, other than 501(c)3 Bonds, as defined in Section 141 of the Code), including the Series 2010 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during calendar year 2010.

ARTICLE IV
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by Prior Bond Ordinance and hereby continued); and

(2) Renewal and Replacement Fund (established by Prior Bond Ordinance and hereby continued).

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1982 B Bonds Sinking Fund (established by Prior Ordinance and hereby continued);

(2) Series 1982 B Bonds Reserve Account (established by Prior Ordinance and hereby continued)

(3) Series 2010 A Bonds Sinking Fund; and

(4) Series 2010 A Bonds Reserve Account.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as the Series 2010 A Bonds shall be outstanding and unpaid, or until there shall have been set apart, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2010 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Series 2010 A Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein 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 herein.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, each month, pay from the monies in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, on the first of each month, transfer from the Revenue Account and remit to the Commission the amounts required to pay the interest on the Series 2010 A Bonds.

(3) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the Commission (i) the amount required by Prior Ordinance to pay principal on the Prior Bonds; and (ii) the amount required to pay the principal on the Series 2010 A Bonds.

(4) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the

Commission (i) the amount required by Prior Ordinance to be deposited in the Prior Bonds Reserve Account; and (ii) for deposit into the Series 2010 A Bonds Reserve Account the amount required to have on deposit therein the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 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 2010 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 ½% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Series 2010 A Bonds, or for any lawful purpose.

Monies in the Series 2010 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2010 A Bonds as the same shall become due. Monies in the Series 2010 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2010 A Bonds as the same shall come due, when other monies in the Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2010 A Bonds Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2010 A Bonds.

Any withdrawals from the Series 2010 A Bonds Reserve Account, which result in a reduction in the balance of such account to below the Reserve Requirement thereof, shall be restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2010 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective Reserve Accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2010 A Bonds Sinking Fund, or the Series 2010 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2010 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Sinking Fund, and the Series 2010 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into 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 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2010 A Bonds, under the conditions and restrictions set forth herein.

C. CHANGE OF DEPOSITORY BANK. 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.

D. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Depository Bank and the Commission such additional sums as shall be necessary to pay the charges and fees of the Depository Bank or the Commission then due.

E. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or 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 of West Virginia.

F. REMITTANCES. All remittances made by the Issuer to the Depository Bank and the Commission shall clearly identify the fund or account into which each amount is to be deposited.

G. GROSS REVENUES. The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE V
GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2010 A Bonds shall be outstanding and unpaid, or until there shall have been set apart a sum sufficient to prepay the entire principal of the Series 2010 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Bondholder.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues to pay all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 A Bonds and all other obligations secured by or payable from the revenues of the System on a parity with the Series 2010 A Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. 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 Ordinances. So long as the Series 2010 A Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, without permission of the Purchaser unless the Series 2010 A Bonds are prepaid in full.

Section 5.04. Issuance of Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, all Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2010 A Bonds.

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 the Bonds issued pursuant hereto or subsequent Parity Bonds, or any combination of such purposes.

No Parity Bonds shall be issued at any time, unless 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 expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds 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 (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 the certificate of the Independent Certified Public Accountants.

The Net Revenues actually derived from the System during the 12-consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the Series 2010 A 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. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior liens of the 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 Bond.

No Parity Bonds shall be issued any time, however, unless all the payments 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.

Section 5.05. Insurance and Bonds.

A. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2010 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(i) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion.

(ii) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $1,000,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2010 A Bonds.

(iii) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $1,000,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(iv) Workers' Compensation Coverage for All Employees of the Issuer Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the Recorder of the County Commission of said County prior to commencement of construction in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(v) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(vi) 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 such amount as may be requested by the Purchaser from time to time.

(vii) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, so long as the Series 2010 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer with insurance carriers or bonding companies acceptable to Purchaser.

B. All insurance proceeds awarded to the Issuer that are not applied to the repair or replacement of the subject property damaged or destroyed, shall be applied by the Issuer to prepayment of the Bond, unless otherwise consented to in writing by the Bondholder.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2010 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 5.07. Fiscal Year; Budget. While the Series 2010 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next year preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.08. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.09. Books and Records; Audits. 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 the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser within 60 days of completion. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.10. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2010 A Bonds are outstanding.

Section 5.11. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 5.12. 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 Bureau for Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Bureau for Health and such house, dwelling or building can be adequately served by the 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.

ARTICLE VI
RATES, ETC.

Section 6.01. Rates and Charges.

A. 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 adopted on February 23, 2010, which rates are incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

D. The Issuer 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 Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services 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.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any sewer bill from a customer served with water and sewer services by the Issuer without payment at the same time of a water bill owed by such customer for the same premises.

ARTICLE VII
TAX COVENANTS

Section 7.01. 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 2010 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 2010 A Bonds during the term thereof is, under the terms of the Series 2010 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 2010 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 2010 A Bonds during the term thereof is, under the terms of the Series 2010 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 2010 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 2010 A Bonds is 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 the lesser of 5% of the Net Proceeds of the Series 2010 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2010 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 2010 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 all actions that may be required of it so that the interest on the Series 2010 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 which would adversely affect such exclusion.

Section 7.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2010 A Bonds which would cause the Series 2010 A Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 2010 A Bonds) so that the interest on the Series 2010 A 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 7.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2010 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2010 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such

actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. The Issuer shall pay, or cause to be paid, to the United States, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. The Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations.

ARTICLE VIII
DEFAULT AND REMEDIES

Section 8.01. Events of Default.

A. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 A Bonds:

1. If default occurs in the due and punctual payment of the principal of or interest on the Series 2010 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 2010 A Bonds set forth in this Bond Legislation, any supplemental resolution, or in the Series 2010 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 Paying Agent, Depository Bank, any other bank or banking association holding any fund or account hereunder or a Holder of a Series 2010 A Bonds; 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 8.02. 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 2010 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

ARTICLE IX
DEFEASANCE

Section 9.01. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holder of the Series 2010 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 this Bond Legislation and the pledge of Gross Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2010 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 2010 A Bonds from gross income for federal income tax purposes.

The payment of the Series 2010 A Bonds with either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on the Series 2010 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Series 2010 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 Paying Agent, either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with other monies, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on the Series 2010 A Bonds on and prior to the maturity dates thereof. Neither securities nor monies deposited with the Paying Agent 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 the Series 2010 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Paying 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 the Series 2010 A Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Paying Agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X
MISCELLANEOUS

Section 10.01. Amendment or Modification of Bond Legislation. This Bond Legislation may not be amended or modified after final passage without the prior written consent of the Registered Owner; provided, however, that this Bond Legislation may be amended without the consent of the Registered Owner as may be necessary to assure the exclusion of interest on the Series 2010 A Bonds from gross income of the Registered Owner for federal income tax purposes.

Section 10.02 Ordinance Constitutes Contract. The provisions of the Ordinance shall constitute a contract between the Issuer and the Holders of the Bonds, and no change, variation or alteration of any kind of the provisions of the Ordinance shall be made in any manner, except as in this Ordinance provided.

Section 10.03. 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 2010 A Bonds.

Section 10.04. Table of Contents and Headings. The table of contents and headings 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 10.05. 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 Ordinances shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 10.06. 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, 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 10.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as

to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *Point Pleasant Register*, a newspaper of general circulation in the Town of New Haven, there being no newspaper published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 10.08. Effective Date. This Ordinance shall take effect immediately following the public hearing hereon.

Passed on First Reading:	September 28, 2010
Passed on Second Reading:	October 12, 2010
Passed on Final Reading Following Public Hearing:	October 26, 2010

Ronald Zarble
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN OF NEW HAVEN on the 26th day of October, 2010.

Dated: November 9, 2010.

[SEAL]

Recorder

09.13.10
658600.00003

TOWN OF NEW HAVEN

Sewer System Refunding Revenue Bonds, Series 2010 A
(Branch Banking and Trust Company)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE AND OTHER TERMS OF THE WATER REFUNDING REVENUE BONDS, SERIES 2010 A, OF THE TOWN OF NEW HAVEN; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO BRANCH BANKING AND TRUST COMPANY; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the Town of New Haven (the "Issuer") has duly and officially adopted an ordinance on October 26, 2010 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF THE SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2004 OF THE TOWN OF NEW HAVEN THROUGH THE ISSUANCE BY THE TOWN OF NEW HAVEN OF NOT MORE THAN $400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2010 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Ordinance provides for the issuance of Sewer System Refunding Revenue Bonds, Series 2010 A, of the Issuer (the "Bonds" or the "Series 2010 A Bonds"), in an aggregate principal amount of not more than $400,000, all in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Ordinance, it is provided that the date, the maturity date, interest rate 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 Bonds are proposed to be purchased by the Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), pursuant to the terms of the commitment letter dated October 21, 2010, a copy of which is attached hereto and made a part hereof (the "Commitment Letter"); and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the date, the maturity date, the interest rate and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF NEW HAVEN:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there is hereby authorized and ordered to be issued the Sewer System Refunding Revenue Bonds, Series 2010 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $370,000. The Series 2010 A Bonds shall be dated November 9, 2010, shall mature on April 1, 2019 and shall bear interest as follows:

A. Interest on the Bonds shall be payable at a rate of 3.69% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days, and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on the Bonds is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on the Bonds shall be payable at a rate of 5.66% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on the Bonds is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on the Bonds are paid, notwithstanding that the entire principal amount of the Bonds may have been paid in full prior to the Determination of Taxability. Any interest being past due on the Bonds by reason of such increase shall become immediately due and payable.

C. The Bond shall be payable in 101 monthly installments of $4,263.74, commencing December 1, 2010, and continuing on the first day of each month thereafter to and including April 1, 2019. The monthly installments shall consist of principal and interest and shall be as listed on the debt service schedule attached hereto as Exhibit A.

D. All payments received by the Paying Agent on account of this Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of this Bond. If not sooner paid, the entire principal amount of this Bond unpaid on March 1, 2019, together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

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

Section 3. The Issuer does hereby approve the terms of the Commitment Letter dated October 21, 2010.

Section 4. The Bonds shall be sold to the Branch Banking and Trust Company, Charleston, West Virginia, and shall be registered in the name of such bank. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 5. The Issuer does hereby appoint and designate the Branch Banking and Trust Company, Charleston, West Virginia, the Registrar for the Bonds.

Section 6. The Issuer does hereby appoint and designate the Municipal Bond Commission (the "Commission") as Paying Agent for the Bonds.

Section 7. Series 2010 A Bonds Proceeds in the amount of $347,326.71 shall be deposited with Summit Bank to net pay the entire outstanding balance of and all accrued interest on the Issuer's Sewer System Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds") at Closing.

Section 8. The Issuer will deposit the amount of $19,723.29 with the Commission to fund the Series 2010 A Bonds Reserve Account.

Section 9. The payment of the Series 2004 Bonds with the proceeds of the Series 2010 A Bonds is in the public interest, serves a public purpose of the Issuer and will promote health, welfare and safety of the residents of the Issuer.

Section 10. The Issuer hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Section 11. The Mayor and Recorder are hereby authorized and directed to execute and deliver the Bonds and 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 to the Purchaser on or about November 9, 2010.

Section 12. The proceeds of the Series 2010 A Bonds shall be disbursed as shown on the Closing Memorandum attached hereto as Exhibit B.

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

[Remainder of Page Intentionally Blank]

Adopted this 26th day of October, 2010.

TOWN OF NEW HAVEN

By: Ronald Zarrella
Its: Mayor

658600.00003

5507192

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the TOWN OF RIVESVILLE on the 26th day of October, 2010.

Date: November 9, 2010.

[SEAL]

Recorder

EXHIBIT A

Debt Service Schedule

Town of New Haven, West Virginia
Sewer Refunding Revenue Bond, Series 2010A

Compound Period ..... : Monthly

Nominal Annual Rate .... : 3.690 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	11/09/2010	370,000.00	1		
2	Payment	12/01/2010	4,263.74	101	Monthly	04/01/2019

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	11/09/2010				370,000.00
1	12/01/2010	4,263.74	834.35	3,429.39	366,570.61
2	01/01/2011	4,263.74	1,127.20	3,136.54	363,434.07
3	02/01/2011	4,263.74	1,117.56	3,146.18	360,287.89
4	03/01/2011	4,263.74	1,107.89	3,155.85	357,132.04
5	04/01/2011	4,263.74	1,098.18	3,165.56	353,966.48
6	05/01/2011	4,263.74	1,088.45	3,175.29	350,791.19
7	06/01/2011	4,263.74	1,078.68	3,185.06	347,606.13
2011 Totals		29,846.18	7,452.31	22,393.87	
8	07/01/2011	4,263.74	1,068.89	3,194.85	344,411.28
9	08/01/2011	4,263.74	1,059.06	3,204.68	341,206.60
10	09/01/2011	4,263.74	1,049.21	3,214.53	337,992.07
11	10/01/2011	4,263.74	1,039.33	3,224.41	334,767.66
12	11/01/2011	4,263.74	1,029.41	3,234.33	331,533.33
13	12/01/2011	4,263.74	1,019.46	3,244.28	328,289.05
14	01/01/2012	4,263.74	1,009.49	3,254.25	325,034.80
15	02/01/2012	4,263.74	999.48	3,264.26	321,770.54
16	03/01/2012	4,263.74	989.44	3,274.30	318,496.24
17	04/01/2012	4,263.74	979.38	3,284.36	315,211.88
18	05/01/2012	4,263.74	969.28	3,294.46	311,917.42
19	06/01/2012	4,263.74	959.15	3,304.59	308,612.83
2012 Totals		51,164.88	12,171.58	38,993.30	
20	07/01/2012	4,263.74	948.98	3,314.76	305,298.07
21	08/01/2012	4,263.74	938.79	3,324.95	301,973.12
22	09/01/2012	4,263.74	928.57	3,335.17	298,637.95
23	10/01/2012	4,263.74	918.31	3,345.43	295,292.52
24	11/01/2012	4,263.74	908.02	3,355.72	291,936.80
25	12/01/2012	4,263.74	897.71	3,366.03	288,570.77
26	01/01/2013	4,263.74	887.36	3,376.38	285,194.39
27	02/01/2013	4,263.74	876.97	3,386.77	281,807.62
28	03/01/2013	4,263.74	866.56	3,397.18	278,410.44
29	04/01/2013	4,263.74	856.11	3,407.63	275,002.81
30	05/01/2013	4,263.74	845.63	3,418.11	271,584.70

Town of New Haven, West Virginia
Sewer Refunding Revenue Bond, Series 2010A

	Date	Payment	Interest	Principal	Balance
31	06/01/2013	4,263.74	835.12	3,428.62	268,156.08
2013 Totals		51,164.88	10,708.13	40,456.75	
32	07/01/2013	4,263.74	824.58	3,439.16	264,716.92
33	08/01/2013	4,263.74	814.00	3,449.74	261,267.18
34	09/01/2013	4,263.74	803.40	3,460.34	257,806.84
35	10/01/2013	4,263.74	792.76	3,470.98	254,335.86
36	11/01/2013	4,263.74	782.08	3,481.66	250,854.20
37	12/01/2013	4,263.74	771.38	3,492.36	247,361.84
38	01/01/2014	4,263.74	760.64	3,503.10	243,858.74
39	02/01/2014	4,263.74	749.87	3,513.87	240,344.87
40	03/01/2014	4,263.74	739.06	3,524.68	236,820.19
41	04/01/2014	4,263.74	728.22	3,535.52	233,284.67
42	05/01/2014	4,263.74	717.35	3,546.39	229,738.28
43	06/01/2014	4,263.74	706.45	3,557.29	226,180.99
2014 Totals		51,164.88	9,189.79	41,975.09	
44	07/01/2014	4,263.74	695.51	3,568.23	222,612.76
45	08/01/2014	4,263.74	684.53	3,579.21	219,033.55
46	09/01/2014	4,263.74	673.53	3,590.21	215,443.34
47	10/01/2014	4,263.74	662.49	3,601.25	211,842.09
48	11/01/2014	4,263.74	651.41	3,612.33	208,229.76
49	12/01/2014	4,263.74	640.31	3,623.43	204,606.33
50	01/01/2015	4,263.74	629.16	3,634.58	200,971.75
51	02/01/2015	4,263.74	617.99	3,645.75	197,326.00
52	03/01/2015	4,263.74	606.78	3,656.96	193,669.04
53	04/01/2015	4,263.74	595.53	3,668.21	190,000.83
54	05/01/2015	4,263.74	584.25	3,679.49	186,321.34
55	06/01/2015	4,263.74	572.94	3,690.80	182,630.54
2015 Totals		51,164.88	7,614.43	43,550.45	
56	07/01/2015	4,263.74	561.59	3,702.15	178,928.39
57	08/01/2015	4,263.74	550.20	3,713.54	175,214.85
58	09/01/2015	4,263.74	538.79	3,724.95	171,489.90
59	10/01/2015	4,263.74	527.33	3,736.41	167,753.49
60	11/01/2015	4,263.74	515.84	3,747.90	164,005.59
61	12/01/2015	4,263.74	504.32	3,759.42	160,246.17
62	01/01/2016	4,263.74	492.76	3,770.98	156,475.19
63	02/01/2016	4,263.74	481.16	3,782.58	152,692.61
64	03/01/2016	4,263.74	469.53	3,794.21	148,898.40
65	04/01/2016	4,263.74	457.86	3,805.88	145,092.52
66	05/01/2016	4,263.74	446.16	3,817.58	141,274.94
67	06/01/2016	4,263.74	434.42	3,829.32	137,445.62
2016 Totals		51,164.88	5,979.96	45,184.92	
68	07/01/2016	4,263.74	422.65	3,841.09	133,604.53
69	08/01/2016	4,263.74	410.83	3,852.91	129,751.62
70	09/01/2016	4,263.74	398.99	3,864.75	125,886.87

Town of New Haven, West Virginia
Sewer Refunding Revenue Bond, Series 2010A

	Date	Payment	Interest	Principal	Balance
71	10/01/2016	4,263.74	387.10	3,876.64	122,010.23
72	11/01/2016	4,263.74	375.18	3,888.56	118,121.67
73	12/01/2016	4,263.74	363.22	3,900.52	114,221.15
74	01/01/2017	4,263.74	351.23	3,912.51	110,308.64
75	02/01/2017	4,263.74	339.20	3,924.54	106,384.10
76	03/01/2017	4,263.74	327.13	3,936.61	102,447.49
77	04/01/2017	4,263.74	315.03	3,948.71	98,498.78
78	05/01/2017	4,263.74	302.88	3,960.86	94,537.92
79	06/01/2017	4,263.74	290.70	3,973.04	90,564.88
2017 Totals		51,164.88	4,284.14	46,880.74	
80	07/01/2017	4,263.74	278.49	3,985.25	86,579.63
81	08/01/2017	4,263.74	266.23	3,997.51	82,582.12
82	09/01/2017	4,263.74	253.94	4,009.80	78,572.32
83	10/01/2017	4,263.74	241.61	4,022.13	74,550.19
84	11/01/2017	4,263.74	229.24	4,034.50	70,515.69
85	12/01/2017	4,263.74	216.84	4,046.90	66,468.79
86	01/01/2018	4,263.74	204.39	4,059.35	62,409.44
87	02/01/2018	4,263.74	191.91	4,071.83	58,337.61
88	03/01/2018	4,263.74	179.39	4,084.35	54,253.26
89	04/01/2018	4,263.74	166.83	4,096.91	50,156.35
90	05/01/2018	4,263.74	154.23	4,109.51	46,046.84
91	06/01/2018	4,263.74	141.59	4,122.15	41,924.69
2018 Totals		51,164.88	2,524.69	48,640.19	
92	07/01/2018	4,263.74	128.92	4,134.82	37,789.87
93	08/01/2018	4,263.74	116.20	4,147.54	33,642.33
94	09/01/2018	4,263.74	103.45	4,160.29	29,482.04
95	10/01/2018	4,263.74	90.66	4,173.08	25,308.96
96	11/01/2018	4,263.74	77.83	4,185.91	21,123.05
97	12/01/2018	4,263.74	64.95	4,198.79	16,924.26
98	01/01/2019	4,263.74	52.04	4,211.70	12,712.56
99	02/01/2019	4,263.74	39.09	4,224.65	8,487.91
100	03/01/2019	4,263.74	26.10	4,237.64	4,250.27
101	04/01/2019	4,263.74	13.47	4,250.27	0.00
2019 Totals		42,637.40	712.71	41,924.69	
Grand Totals		430,637.74	60,637.74	370,000.00	

EXHIBIT B

Closing Memorandum

CLOSING MEMORANDUM

To: Financing Team

From: John C. Stump, Esquire

Date: November 9, 2010

Re: Town of New Haven
Sewer Refunding Revenue Bonds, Series 2010 A

DISBURSEMENTS TO BRANCH BANKING AND TRUST COMPANY

1. BB&T $2,950

DISBURSEMENTS BY WIRE TO SUMMIT COMMUNITY BANK

1.

Payor:	Branch Banking and Trust Company
Amount:	$347,326.71
Form:	Wire
Bank	Summit Community Bank
Routing No.	052202225
Beneficiary:	Town of New Haven
Account No:	352547
Contact:	Michelle Dillon
Purpose:	Payoff 2004 Bonds

DISBURSEMENT TO MUNICIPAL BOND COMMISSION

Amount:	$19,723.29
Form:	Wire Transfer
Payee:	Town of New Haven
Bank:	BB&T for the benefit of Municipal Bond Commission
Routing #:	051503394
Account #	5270517317
Contact:	Sara Boardman, (304) 558-3971
Account:	Series 2010 A Bonds Reserve Account

SPECIMEN

TOWN OF NEW HAVEN
SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2010 A

No. AR-1

$370,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 9th day of November, 2010, the TOWN OF NEW HAVEN, a municipal corporation and political subdivision of the State of West Virginia in Mason 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 order of

BRANCH BANKING AND TRUST COMPANY

or registered assigns (the "Payee"), the principal sum of THREE HUNDRED SEVENY THOUSAND DOLLARS ($370,000), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of 3.69% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at a rate of 5.66% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

C. This Bond shall be payable in 100 installments commencing on the 1st day of December, 2010 and on the 1st day of each month thereafter, to and including March 1, 2019. The monthly installments shall consist of principal and interest as listed on the attached debt service schedule attached hereto as EXHIBIT A.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond unpaid on March 1, 2019 together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is payable in any coin or currency which on the date of payment thereof 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 principal balance of this Bond may only be prepaid in whole on a scheduled payment date with a 1% prepayment premium.

This Bond is issued to (i) refund the Issuer's Sewer System Refunding Revenue Bonds, Series 2004; (ii) fund the Series 2010 A Bonds Reserve Account; and (iii) pay costs of issuance and related costs. The existing public sewerage system facilities of the Issuer, and any further additions, improvements or extensions 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 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance duly enacted by the Issuer on October 26, 2010, and a Supplemental Resolution, duly adopted by the Issuer on October 26, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

THERE ARE OUTSTANDING OBLIGATIONS OF THE ISSUER WHICH WILL RANK ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT BEING THE ISSUER'S SUPPLEMENTAL SUBORDINATE SEWER REVENUE BONDS, SERIES 1982 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 27, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $89,500 (THE "SERIES 1982 B BONDS" OR THE "PRIOR BONDS").

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 the source set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Payee, for the terms of which reference is made to said Bond Legislation. Remedies provided the Payee 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 Branch Banking and Trust Company, Charleston, West Virginia, as Registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to such registration requirements, 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.

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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 Gross Revenues of the System has been pledged to and will be set aside 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.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF NEW HAVEN has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed hereon and attested by its Recorder, and has caused this Bond to be dated the day and year first written above.

TOWN OF NEW HAVEN

[SEAL]

By: _____
Its: Mayor

SPECIMEN

ATTEST:

_____
Recorder

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: November 9, 2010

BRANCH BANKING AND TRUST COMPANY,
as Registrar

By: Russell R. Albers II
Its: Authorized Officer

EXHIBIT A

Debt Service Schedule

Town of New Haven, West Virginia
Sewer Refunding Revenue Bond, Series 2010A

Compound Period ..... : Monthly

Nominal Annual Rate .... : 3.690 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	11/09/2010	370,000.00	1		
2	Payment	12/01/2010	4,263.74	101	Monthly	04/01/2019

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	11/09/2010				370,000.00
1	12/01/2010	4,263.74	834.35	3,429.39	366,570.61
2	01/01/2011	4,263.74	1,127.20	3,136.54	363,434.07
3	02/01/2011	4,263.74	1,117.56	3,146.18	360,287.89
4	03/01/2011	4,263.74	1,107.89	3,155.85	357,132.04
5	04/01/2011	4,263.74	1,098.18	3,165.56	353,966.48
6	05/01/2011	4,263.74	1,088.45	3,175.29	350,791.19
7	06/01/2011	4,263.74	1,078.68	3,185.06	347,606.13
2011 Totals		29,846.18	7,452.31	22,393.87	
8	07/01/2011	4,263.74	1,068.89	3,194.85	344,411.28
9	08/01/2011	4,263.74	1,059.06	3,204.68	341,206.60
10	09/01/2011	4,263.74	1,049.21	3,214.53	337,992.07
11	10/01/2011	4,263.74	1,039.33	3,224.41	334,767.66
12	11/01/2011	4,263.74	1,029.41	3,234.33	331,533.33
13	12/01/2011	4,263.74	1,019.46	3,244.28	328,289.05
14	01/01/2012	4,263.74	1,009.49	3,254.25	325,034.80
15	02/01/2012	4,263.74	999.48	3,264.26	321,770.54
16	03/01/2012	4,263.74	989.44	3,274.30	318,496.24
17	04/01/2012	4,263.74	979.38	3,284.36	315,211.88
18	05/01/2012	4,263.74	969.28	3,294.46	311,917.42
19	06/01/2012	4,263.74	959.15	3,304.59	308,612.83
2012 Totals		51,164.88	12,171.58	38,993.30	
20	07/01/2012	4,263.74	948.98	3,314.76	305,298.07
21	08/01/2012	4,263.74	938.79	3,324.95	301,973.12
22	09/01/2012	4,263.74	928.57	3,335.17	298,637.95
23	10/01/2012	4,263.74	918.31	3,345.43	295,292.52
24	11/01/2012	4,263.74	908.02	3,355.72	291,936.80
25	12/01/2012	4,263.74	897.71	3,366.03	288,570.77
26	01/01/2013	4,263.74	887.36	3,376.38	285,194.39
27	02/01/2013	4,263.74	876.97	3,386.77	281,807.62
28	03/01/2013	4,263.74	866.56	3,397.18	278,410.44
29	04/01/2013	4,263.74	856.11	3,407.63	275,002.81
30	05/01/2013	4,263.74	845.63	3,418.11	271,584.70

Town of New Haven, West Virginia
Sewer Refunding Revenue Bond, Series 2010A

	Date	Payment	Interest	Principal	Balance
31	06/01/2013	4,263.74	835.12	3,428.62	268,156.08
2013 Totals		51,164.88	10,708.13	40,456.75	
32	07/01/2013	4,263.74	824.58	3,439.16	264,716.92
33	08/01/2013	4,263.74	814.00	3,449.74	261,267.18
34	09/01/2013	4,263.74	803.40	3,460.34	257,806.84
35	10/01/2013	4,263.74	792.76	3,470.98	254,335.86
36	11/01/2013	4,263.74	782.08	3,481.66	250,854.20
37	12/01/2013	4,263.74	771.38	3,492.36	247,361.84
38	01/01/2014	4,263.74	760.64	3,503.10	243,858.74
39	02/01/2014	4,263.74	749.87	3,513.87	240,344.87
40	03/01/2014	4,263.74	739.06	3,524.68	236,820.19
41	04/01/2014	4,263.74	728.22	3,535.52	233,284.67
42	05/01/2014	4,263.74	717.35	3,546.39	229,738.28
43	06/01/2014	4,263.74	706.45	3,557.29	226,180.99
2014 Totals		51,164.88	9,189.79	41,975.09	
44	07/01/2014	4,263.74	695.51	3,568.23	222,612.76
45	08/01/2014	4,263.74	684.53	3,579.21	219,033.55
46	09/01/2014	4,263.74	673.53	3,590.21	215,443.34
47	10/01/2014	4,263.74	662.49	3,601.25	211,842.09
48	11/01/2014	4,263.74	651.41	3,612.33	208,229.76
49	12/01/2014	4,263.74	640.31	3,623.43	204,606.33
50	01/01/2015	4,263.74	629.16	3,634.58	200,971.75
51	02/01/2015	4,263.74	617.99	3,645.75	197,326.00
52	03/01/2015	4,263.74	606.78	3,656.96	193,669.04
53	04/01/2015	4,263.74	595.53	3,668.21	190,000.83
54	05/01/2015	4,263.74	584.25	3,679.49	186,321.34
55	06/01/2015	4,263.74	572.94	3,690.80	182,630.54
2015 Totals		51,164.88	7,614.43	43,550.45	
56	07/01/2015	4,263.74	561.59	3,702.15	178,928.39
57	08/01/2015	4,263.74	550.20	3,713.54	175,214.85
58	09/01/2015	4,263.74	538.79	3,724.95	171,489.90
59	10/01/2015	4,263.74	527.33	3,736.41	167,753.49
60	11/01/2015	4,263.74	515.84	3,747.90	164,005.59
61	12/01/2015	4,263.74	504.32	3,759.42	160,246.17
62	01/01/2016	4,263.74	492.76	3,770.98	156,475.19
63	02/01/2016	4,263.74	481.16	3,782.58	152,692.61
64	03/01/2016	4,263.74	469.53	3,794.21	148,898.40
65	04/01/2016	4,263.74	457.86	3,805.88	145,092.52
66	05/01/2016	4,263.74	446.16	3,817.58	141,274.94
67	06/01/2016	4,263.74	434.42	3,829.32	137,445.62
2016 Totals		51,164.88	5,979.96	45,184.92	
68	07/01/2016	4,263.74	422.65	3,841.09	133,604.53
69	08/01/2016	4,263.74	410.83	3,852.91	129,751.62
70	09/01/2016	4,263.74	398.99	3,864.75	125,886.87

Town of New Haven, West Virginia
Sewer Refunding Revenue Bond, Series 2010A

	Date	Payment	Interest	Principal	Balance
71	10/01/2016	4,263.74	387.10	3,876.64	122,010.23
72	11/01/2016	4,263.74	375.18	3,888.56	118,121.67
73	12/01/2016	4,263.74	363.22	3,900.52	114,221.15
74	01/01/2017	4,263.74	351.23	3,912.51	110,308.64
75	02/01/2017	4,263.74	339.20	3,924.54	106,384.10
76	03/01/2017	4,263.74	327.13	3,936.61	102,447.49
77	04/01/2017	4,263.74	315.03	3,948.71	98,498.78
78	05/01/2017	4,263.74	302.88	3,960.86	94,537.92
79	06/01/2017	4,263.74	290.70	3,973.04	90,564.88
2017 Totals		51,164.88	4,284.14	46,880.74	
80	07/01/2017	4,263.74	278.49	3,985.25	86,579.63
81	08/01/2017	4,263.74	266.23	3,997.51	82,582.12
82	09/01/2017	4,263.74	253.94	4,009.80	78,572.32
83	10/01/2017	4,263.74	241.61	4,022.13	74,550.19
84	11/01/2017	4,263.74	229.24	4,034.50	70,515.69
85	12/01/2017	4,263.74	216.84	4,046.90	66,468.79
86	01/01/2018	4,263.74	204.39	4,059.35	62,409.44
87	02/01/2018	4,263.74	191.91	4,071.83	58,337.61
88	03/01/2018	4,263.74	179.39	4,084.35	54,253.26
89	04/01/2018	4,263.74	166.83	4,096.91	50,156.35
90	05/01/2018	4,263.74	154.23	4,109.51	46,046.84
91	06/01/2018	4,263.74	141.59	4,122.15	41,924.69
2018 Totals		51,164.88	2,524.69	48,640.19	
92	07/01/2018	4,263.74	128.92	4,134.82	37,789.87
93	08/01/2018	4,263.74	116.20	4,147.54	33,642.33
94	09/01/2018	4,263.74	103.45	4,160.29	29,482.04
95	10/01/2018	4,263.74	90.66	4,173.08	25,308.96
96	11/01/2018	4,263.74	77.83	4,185.91	21,123.05
97	12/01/2018	4,263.74	64.95	4,198.79	16,924.26
98	01/01/2019	4,263.74	52.04	4,211.70	12,712.56
99	02/01/2019	4,263.74	39.09	4,224.65	8,487.91
100	03/01/2019	4,263.74	26.10	4,237.64	4,250.27
101	04/01/2019	4,263.74	13.47	4,250.27	0.00
2019 Totals		42,637.40	712.71	41,924.69	
Grand Totals		430,637.74	60,637.74	370,000.00	

[Form of Assignment]

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

Dated: _____, 20___.

_____

In the presence of:

_____