

CITY OF NITRO

**Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)**

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State of West Virginia
WATER DEVELOPMENT AUTHORITY
 180 Association Drive, Charleston, WV 25311-1217
 (304) 558-3612 - (304) 558-0299 (Fax)
 Internet: www.wvwda.org - Email: contact@wvwda.org

PRECLOSING ATTENDANCE LIST

Date 11.10.09 Time 2:30p LGA Nitro Program CW SRF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Carol A. Cummings	WDA	304-558-3612	304-558-0299	ccummings@wvwda.org
Rose Brodersen	WV DEP	304 926 0499 x1608	304 926 0496	Rosalie.M. Brodersen@wv.gov
Ryan White	Jackson Kelly	304 340 1283	304 340 1272	srwhite@jacksonkelly.com
Shamee Lee	" "	304.340.1318	304.340.1272	shamee@jacksonkelly.com

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Rusty Casto, mayor Telephone 304.755.0705 E-Mail _____
 Address P.O. Box 607, Nitro, WV 25143

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

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

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CITY OF NITRO

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF NITRO AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NITRO OF NOT MORE THAN \$2,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN \$2,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING AN ARRA ASSISTANCE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. The City of Nitro (the "Issuer") is a municipal corporation and political subdivision of the

State of West Virginia in Kanawha and Putnam Counties of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of upgrades and improvements to the City's sanitary sewer collection and treatment facilities, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer, which constitute properties for the collection, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes including but not limited to a design loan for Blakes Creek Sewer extensions (collectively, the "Project") (the existing public sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, in the total aggregate principal amount of not more than \$5,000,000 in two or more series (collectively, the "Series 2009 Bonds"), initially planned to be (i) the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), in the aggregate principal amount of not more than \$2,250,000 (the "Series 2009 A Bonds"); and (ii) the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the aggregate principal amount of not more than \$2,250,000 (the "Series 2009 B Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the Act; interest, if any, upon the Series 2009 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined) for the Series 2009 Bonds; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined); discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2009 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2009 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2009 Bonds be sold to the Authority

pursuant to the terms and provisions of an ARRA assistance agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Sewer Revenue Bonds, Series 1995 dated July 27, 1995, issued in the original aggregate principal amount of \$373,000 (the "Series 1995 Bonds") and held by the State of West Virginia Water Development Authority; (ii) Sewer Revenue Bonds, Series 1996, dated December 10, 1996 issued in the original aggregate principal amount of \$4,575,902 (the "Series A 1996 Bonds") and held by the State of West Virginia Water Development Authority; (iii) Sewer Revenue Bonds Series 2000 A, dated June 28, 2000 issued in the original aggregate principal amount of \$2,050,000 and held by the State of West Virginia Water Development Authority, and; (iv) Sewer System Revenue Bonds Series 2001 A dated June 5, 2001 issued in the original aggregate principal amount of \$543,900 and held by the State of West Virginia Water Development Authority (collectively, the "Prior Bonds"). The Series 2009 Bonds shall be issued on a parity with the Prior Bonds. Prior to the issuance of the Series 2009 Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2009 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is current on all Prior Bonds' payments and is in compliance with all covenants and requirements of the Prior Ordinances.

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

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

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

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board now known and referred to as the Nitro Regional Wastewater Utility (herein the "Sanitary Board") and the Sanitary Board has petitioned the Governing Body to issue the Series 2009 Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2009 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"ARRA Assistance Agreement" means the ARRA Assistance Agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2009 Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2009 Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"Board" means the Nitro Regional Wastewater Utility Board of the Issuer, hereinbefore known and referred to as the Nitro Sanitary Board.

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

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

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

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

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2009 Bonds for all or a portion of the proceeds of the Series 2009 Bonds from the Authority and the DEP.

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

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

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

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

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

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the state that succeeds to the functions of the DEP.

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

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

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

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

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

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

calculated in accordance with sound accounting practices.

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

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

"Issuer" means the Town of Nitro, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha and Putnam Counties, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Mayor” means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2009 Bonds; plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2009 A Bonds Reserve Account or the Series 2009 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2009 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

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

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

"Prior Bonds" means, collectively, the Series 1995 A Bonds, Series 1996 A Bonds, Series 2000 A Bonds, Series 2001 A Bonds, and Series 2008 A Bonds.

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

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

"Qualified Investments" means and includes the following:

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements or similar banking arrangements, fully secured by investments of the types described in paragraphs (a) through (e) above or fully insured by the FDIC, with member banks of the Federal Reserve system or banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase

agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

"Recorder" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

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

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

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

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

"Sanitary Board" means the City of Nitro Sanitary Board now known and referred to as the Nitro Regional Wastewater Utility.

"Series 1995 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1995 (West Virginia Water Development Authority), dated July 27, 1995, issued in the original aggregate principal amount of \$373,000.

"Series 1996 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1996 A (West Virginia Water Development Authority), dated December 10, 1996, issued in the original aggregate principal amount of \$4,575,902.

“Series 2000 A Bonds” means the Issuers Sewer Revenue Bonds, Series 2000 A (West Virginia Water Development Authority), dated June 28, 2000, issued in the original aggregate principal amount of \$2,050,000.

“Series 2001 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2001 A (West Virginia SRF Program), dated June 5, 2001, issued in the original aggregate principal amount of \$543,900.

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

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

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

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

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

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

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

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

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

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

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

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2009 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2009 Bonds, and not so included may be included in another Supplemental Resolution.

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

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed \$2,800,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2009 A Bonds and the Series 2009 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed \$2,800,000, of which up to \$1,650,000 will be obtained from proceeds of the Series 2009 A Bonds, up to \$1,125,000 will be obtained from proceeds of the Series 2009 B Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying a portion of the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2009 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2009 Bonds of the Issuer. The Series 2009 Bonds shall be issued in two series, each as a single bond, designated respectively as "Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program)", in the principal amount of not more than \$2,250,000, and "Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)," in the principal amount of not more than \$2,250,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2009 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the respective Bond Construction Trust Funds established by Section 5.01 hereof.

Section 3.02. Terms Bonds. The Series 2009 Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the ARRA Assistance Agreement. The Series 2009 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2009 Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

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

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

Section 3.03. Execution of Bonds. The Series 2009 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2009 Bonds shall cease to be such officer of the Issuer before the Series 2009 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2009 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

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

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2009 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2009 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2009 Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2009 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2009 Bonds are exercised, all Series 2009 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2009 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2009 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to

make any such exchange or transfer of any Series 2009 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2009 Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2009 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2009 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2009 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2009 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the First Lien Bonds and senior and prior to the Series 1986 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2009 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2009 Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2009 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2009 Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the ARRA Assistance Agreement; and

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

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

(FORM OF SERIES 2009 A BOND)

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

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on the 12th day of November, 2009, the CITY OF NITRO, a municipal corporation and political subdivision of the State of West Virginia in Kanawha and Putnam Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20____, to and including _____ 1, 20____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing _____ 1, 20____, as set forth on Exhibit B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement (the "ARRA Assistance Agreement") by and among the Issuer, the Authority and the DEP dated _____, 2009.

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

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

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1995 DATED JULY 27, 1995, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$373,000 (THE "SERIES 1995 BONDS") AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; (II) SEWER REVENUE BONDS, SERIES 1996, DATED DECEMBER 10, 1996 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,575,902 (THE "SERIES A 1996 BONDS") AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; (III) SEWER REVENUE BONDS SERIES 2000 A, DATED JUNE 28, 2000 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,050,000 AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, AND; (IV) SEWER SYSTEM REVENUE BONDS SERIES 2001 A DATED JUNE 5, 2001 ISSUED IN THE ORIGINAL PRINCIPAL AGGREGATE AMOUNT OF \$543,900 AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (COLLECTIVELY, THE "PRIOR BONDS") AND (V) THE SERIES 2009 B BONDS, DATED _____, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$_____, (THE "SERIES 2009 B BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

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

established for any other obligations outstanding on a parity with or junior and subordinate to the Series 2009 A Bonds, including the Series 2009 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, the CITY OF NITRO has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated the day and year first written above.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: _____, 2009

UNITED NATIONAL BANK
As Registrar

Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B
DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, ____.

In the presence of:

(FORM OF SERIES 2009 B BOND)

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

No. BR-1

\$ _____

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

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement (the "ARRA Assistance Agreement") by and among the Issuer, the Authority and the DEP, dated _____, 2009.

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

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

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1995 DATED JULY 27, 1995, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$373,000 (THE "SERIES 1995 BONDS") AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; (II) SEWER REVENUE BONDS, SERIES 1996, DATED DECEMBER 10, 1996 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,575,902 (THE "SERIES A 1996 BONDS") AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; (III) SEWER REVENUE BONDS SERIES 2000 A, DATED JUNE 28, 2000 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,050,000 AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, AND; (IV) SEWER SYSTEM REVENUE BONDS SERIES 2001 A DATED JUNE 5, 2001 ISSUED IN THE ORIGINAL PRINCIPAL AGGREGATE AMOUNT OF \$543,900 AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (COLLECTIVELY, THE "PRIOR BONDS") AND (V) THE SERIES 2009 A BONDS, DATED _____, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____, (THE "SERIES 2009 A BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the CITY OF NITRO has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, has caused this Bond to be dated the day and year first written above.

[SEAL]

Mayor

ATTEST:

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: _____, 2009.

UNITED NATIONAL BANK
As Registrar

Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, ____.

In the presence of:

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

Section 3.12. Filing of Amended Schedule. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule for the Series 2009 Bonds, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by Prior Ordinances);
- (2) Operation and Maintenance Fund (established by Prior Ordinances);
- (3) Reserve Account (established by Prior Ordinances);
- (4) Renewal and Replacement Fund (established by Prior Ordinances); and
- (5) Series 2009 Bonds Construction Trust Fund.

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

- (1) Prior Bonds Sinking Fund (established by Prior Ordinances);
- (2) Prior Bonds Reserve Account (established by Prior Ordinances);
- (3) Series 2009 A Bonds Sinking Fund;
- (4) Series 2009 A Bonds Reserve Account;
- (5) Series 2009 B Bonds Sinking Fund; and
- (6) Series 2009 B Bonds Reserve Account.

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission the amount required by the Prior Ordinance for the payment of interest on the Series 1995 A Bonds, Series 1996 A Bonds, Series 2000 A Bonds and Series 2001 A Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission the amount required by the Prior Ordinances for the payment of principal on the Series 1995 A Bonds, Series 1996 A Bonds, Series 2000 A Bonds and Series 2001 A Bonds; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2009 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2009 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2009 B Bonds, for deposit in the Series 2009 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2009 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2009 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission the amounts required by the Prior Ordinances to be deposited in the respective Reserve Accounts for the Series 1995 A Bonds, Series 1996 A Bonds, Series 2000 A Bonds and Series 2001 A Bonds; (ii) commencing 4 months prior to the first date of payment of principal of the Series 2009 A Bonds, if not fully funded upon issuance of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2009 A Bonds Reserve Requirement; and (iii) commencing 4 months prior to the first date of payment of principal of the Series 2009 B Bonds, if not fully funded upon issuance of the Series 2009 B Bonds, for deposit in the Series 2009 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2009 B Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank (as required in the Prior Ordinances and not in addition thereto), for deposit in the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross

Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

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

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

As and when additional Bonds ranking on a parity with the Series 2009 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

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

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

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

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

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

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2009 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the ARRA Assistance Agreement for the Series 2009 Bonds.

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

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

F. The monies in excess of the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by

Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies on a parity and pro rata with respect to the Series 2009 Bonds and the Prior Bonds all in accordance with the respective principal amounts outstanding before being applied to any other payments hereunder.

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

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

J. All Tap Fees shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

APPLICATION OF BOND PROCEEDS

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

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

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

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

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

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

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

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

Section 6.02. Disbursements of Bond Proceeds.

A. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2009 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2009 Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2009 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

- (1) a completed and signed "Payment Requisition Form," a form of which is attached to the ARRA Assistance Agreement, in compliance with the construction schedule; and
- (2) a certificate, signed by an Authorized Officer, stating that:
 - (A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
 - (B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
 - (C) Each of such costs has been otherwise properly incurred; and
 - (D) Payment for each of the items proposed is then due and owing.

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

B. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2009 B Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2009 Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2009 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

- (1) a completed and signed "Payment Requisition Form," a form of which is attached to the ARRA Assistance Agreement, in compliance with the construction schedule; and
- (2) a certificate, signed by an Authorized Officer, stating that:
 - (A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

- (B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
- (C) Each of such costs has been otherwise properly incurred; and
- (D) Payment for each of the items proposed is then due and owing.

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

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2009 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2009 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2009 Bonds or the interest, if any, thereon is Outstanding and unpaid.

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

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

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the ARRA Assistance Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted March 22, 2007, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2009 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the ARRA Assistance Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2009 Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the ARRA Assistance Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the ARRA Assistance Agreement.

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

So long as the Series 2009 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2009A Bonds Sinking Fund and the Series 2009 B Bonds Sinking Fund, respectively, pro rata with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2009 A Bonds and the Series 2009 B Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

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

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

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2009 Bonds, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2009 Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

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

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

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

So long as the Series 1995 Bonds, Series 1996 A Bonds, Series 2000 A Bonds, Series 2001 A Bonds and the Series 2009 Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by Independent

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

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

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

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

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

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

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

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

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

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2009 Bonds and shall mail in each year to any Holder or Holders of the Series 2009 Bonds, requesting the same, an annual report containing the following:

- (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.
- (C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2009 Bonds and shall submit the report to the Authority and the DEP or any other original purchaser of the Series 2009 Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and ARRA Assistance Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the ARRA Assistance Agreement for the Series 2009 Bonds or any Exhibit thereto or as promulgated from time to time.

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

Section 7.09. Rates. Prior to the issuance of the Series 2009 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are outstanding and thereafter, (i) to provide for all Operating Expenses of the System; and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or

subordinate to, the Series 2009 Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2009 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2009 Bonds.

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

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

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

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

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the ARRA Assistance Agreement for the Series 2009 Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

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

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the

restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2009 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the amount of any construction contract and to be

required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health,

safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2009 Bonds required by State law, with all requisite appeal periods having expired without successful appeal, except as otherwise provided in Section 1.02(I).

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

Section 7.19. [RESERVED}.

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2009 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2009 Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2009 Bonds made available due to bid or construction or project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2009 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory

mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2009 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the 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 or Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2009 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2009 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2009 Bonds as a condition to issuance of the Series 2009 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2009 Bonds as may be necessary in order to maintain the status of the Series 2009 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2009 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2009 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP,

to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2009 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2009 Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2009 Bonds; or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions relating to the Series 2009 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2009 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
- (4) If default occurs with respect to the Prior Bonds or the Prior Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2009 Bonds shall be on a parity with those of the Holders of the Prior Bonds.

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

established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2009 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2009 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2009 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2009 A Bonds from gross income for federal income tax purposes.

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

ARTICLE XI

MISCELLANEOUS

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

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

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

Section 11.04. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2009 Bonds.

Section 11.05. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.06. Conflicting Provisions Repealed; Prior Ordinance. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior

Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

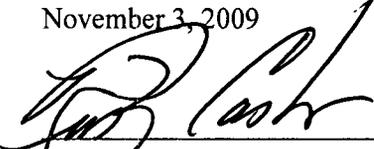
Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Charleston Gazette, a newspaper of general circulation in the City of Nitro, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2009 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading: October 6, 2009

Passed on Second Reading: October 20, 2009

Passed on Final Reading
Following Public Hearing: November 3, 2009



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of the CITY OF NITRO on the 20th day of October, 2009.

Dated: Oct. 20, 2009.

[SEAL]



Recorder

EXHIBIT A

ARRA Assistance Agreement included in bond transcript as Document 3

CITY OF NITRO

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

SUPPLEMENTAL RESOLUTION

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

WHEREAS, the City council (the "Governing Body") of the City of Nitro (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective October 20, 2009 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF NITRO AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NITRO OF NOT MORE THAN \$2,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN \$2,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE

OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS , the Bond Ordinance provides for the issuance of the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) in an aggregate principal amount not to exceed \$2,250,000 and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) in an aggregate principal amount not to exceed \$2,250,000;

WHEREAS, the Bond Ordinance has authorized the execution and delivery of an ARRA assistance agreement relating to the Series 2009 Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), (the "ARRA Assistance Agreement"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the ARRA Assistance Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2009 Bonds should be established by a supplemental resolution pertaining to the Series 2009 Bonds; and that other matters relating to the Series 2009 Bonds be herein provided for;

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

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

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

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

A. Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the original aggregate principal amount of \$1,910,778. The Series 2009 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2031, and shall bear no interest. The principal of the Series 2009 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011, to and including June 1, 2031, and in the amounts as set forth in the "Schedule Y" attached to the ARRA Assistance Agreement for the Series 2009 A Bonds and incorporated in and made a part of the Series 2009 A Bonds. The Series 2009 A 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 ARRA Assistance Agreement, so long as the Authority shall be the registered owner of the Series 2009 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Series 2009 A Bonds set forth in "Schedule Y" attached to the ARRA Assistance Agreement.

B. Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, originally represented by a single Bond, numbered BR-1, in the original aggregate principal amount of \$1,125,000. The Series 2009 B Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2021, and shall bear no interest. The principal of the Series 2009 B Bonds shall be 100% forgiven as set forth in ARRA Assistance Agreement. The Series 2009 B Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the ARRA Assistance Agreement, so long as the Authority shall be the registered owner of the Series 2009 B Bonds. The Series 2009 B Bonds are not subject to the SRF Administrative Fee.

Section 2. All other provisions relating to the Series 2009 Bonds and the text of each series of the Series 2009 Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the ARRA Assistance Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the ARRA Assistance Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the ARRA Assistance Agreement and in the applications to the DEP and the Authority. The price of the Series 2009 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2009 Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2009 Bonds under the

Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2009 Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2009 Bonds under the Bond Ordinance.

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

Section 8. Series 2009 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2009 A Bonds Reserve Account.

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

Section 11. The balance of the proceeds of the Series 2009 A Bonds and the Series 2009 B Bonds shall be deposited in or credited to the Series 2009 Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2009 Bonds and related costs, and such amount as is necessary to repay in full the Design Loan hereinbefore made from the West Virginia Water Development Authority to the City on May 29, 2008.

Section 12. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2009 Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2009 Bonds may be delivered on or about November 12, 2009, to the Authority pursuant to the ARRA Assistance Agreement.

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

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

Section 15. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Sinking Funds and the Reserve Accounts for the Series 2009 Bonds, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 16. The Special Conditions of the ARRA Assistance Agreement are attached as Exhibit A and hereby incorporated herein and hereby accepted and agreed to by the Issuer.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 3rd day of November, 2009.



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Nitro on the 3rd day of November, 2009.

Dated: November 12, 2009.

[SEAL]



Recorder

EXHIBIT A

SPECIAL CONDITIONS

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

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

C. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP.

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

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

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

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

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

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

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

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

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

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

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

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

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with

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

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

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

SRF-ARRA/M
(08/09)

ARRA ASSISTANCE AGREEMENT

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

CITY OF NITRO (C-544423/2007S-979)
(Local Government)

W I T N E S S E T H:

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

WHEREAS, the United States Congress has provided additional capitalization grant funding under the Clean Water Act through the American Recovery and Reinvestment Act of 2009 (the "ARRA");

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

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

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

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

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act, the ARRA and the Act;

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

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

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

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

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

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with

moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

(100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

execution of this ARRA Assistance Agreement by the Authority or such later date as is agreed to in writing by DEP.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this ARRA Assistance Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) unless waived or modified by Schedule X and to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on

the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees

paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Local Government

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

7.7 This ARRA Assistance Agreement shall terminate upon the earlier of:

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

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

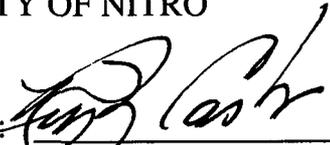
(iii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

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

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

CITY OF NITRO

(SEAL)

By: 

Its: Mayor

Date: November 10, 2009

Attest:



Its: Recorder

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

By: 

Its: Acting Director

Date: November 10, 2009

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

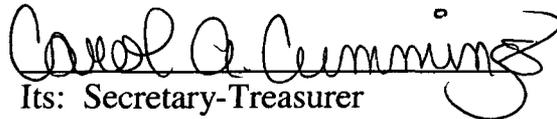
(SEAL)

By: 

Its: Executive Director

Date: November 10, 2009

Attest:



Its: Secretary-Treasurer

{C1624698.1}

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government _____

Name of Bond Issue(s) _____

Type of Project _____ **Water** _____ **Wastewater** _____

Fiscal Year _____ **Report Month** _____

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

Name of Person Completing Form

Address

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

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

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

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

A, and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) the Issuer has received the Buy American Certificate from each contractor; (x) as of the effective date thereof², the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the ARRA Assistance Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

By _____
West Virginia License No.

[SEAL]

¹If 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".

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

EXHIBIT E

SPECIAL CONDITIONS

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

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

C. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$

Principal \$

Total: \$

Reserve Account: \$

Witness my signature this ___ day of _____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

- A. Series A Bonds (CWSRF Base Program)
Principal Amount of Local Bonds \$1,910,778
Purchase Price of Local Bonds \$1,910,778

The Local Bonds shall bear no interest. Commencing June 1, 2011, principal of the Local Bonds is payable quarterly, with an administrative fee of 1%. 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.

Number of New Customers to Be Served: 0

Location: The City of Nitro, Kanawha and Putnam Counties

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

- (i) City of Nitro Sewer Revenue Bonds, Series 1995 dated July 27, 1995, issued in the original aggregate principal amount of \$373,000 and held by the State of West Virginia Water Development Authority;
- (ii) City of Nitro Sewer Revenue Bonds, Series 1996, dated December 10, 1996 issued in the original aggregate principal amount of \$4,575,902 and held by the State of West Virginia Water Development Authority;
- (iii) City of Nitro Sewer Revenue Bonds Series 2000 A, dated June 28, 2000 issued in the original aggregate principal amount of \$2,050,000 and held by the State of West Virginia Water Development Authority, and;
- (iv) City of Nitro Sewer System Revenue Bonds Series 2001 A dated June 5, 2001 issued in the original aggregate principal amount of \$543,900 and held by the State of West Virginia Water Development Authority.

B. Series B Bonds (ARRA)

Principal Amount of Local Bonds \$1,125,000

Purchase Price of Local Bonds \$1,125,000

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

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

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

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

**SCHEDULE Y
DEBT SERVICE SCHEDULES**

0% Interest Rate, 1% Administrative Fee				
20 Years				
		Dated Date	11/12/09	
		Delivery Date	11/12/09	
Period Ending	Principal	Interest	Debt Service	
11/12/09				
9/1/11	23,885		23,885	
12/1/11	23,885		23,885	
3/1/12	23,885		23,885	
6/1/12	23,885		23,885	
9/1/12	23,885		23,885	
12/1/12	23,885		23,885	
3/1/13	23,885		23,885	
6/1/13	23,885		23,885	
9/1/13	23,885		23,885	
12/1/13	23,885		23,885	
3/1/14	23,885		23,885	
6/1/14	23,885		23,885	
9/1/14	23,885		23,885	
12/1/14	23,885		23,885	
3/1/15	23,885		23,885	
6/1/15	23,885		23,885	
9/1/15	23,885		23,885	
12/1/15	23,885		23,885	
3/1/16	23,885		23,885	
6/1/16	23,885		23,885	
9/1/16	23,885		23,885	
12/1/16	23,885		23,885	
3/1/17	23,885		23,885	
6/1/17	23,885		23,885	
9/1/17	23,885		23,885	
12/1/17	23,885		23,885	
3/1/18	23,885		23,885	
6/1/18	23,885		23,885	
9/1/18	23,885		23,885	
12/1/18	23,885		23,885	
3/1/19	23,885		23,885	
6/1/19	23,885		23,885	
9/1/19	23,885		23,885	
12/1/19	23,885		23,885	
3/1/20	23,885		23,885	
6/1/20	23,885		23,885	
9/1/20	23,885		23,885	
12/1/20	23,885		23,885	
3/1/21	23,885		23,885	
6/1/21	23,885		23,885	
9/1/21	23,885		23,885	
12/1/21	23,885		23,885	
3/1/22	23,885		23,885	

0% Interest Rate, 1% Administrative Fee			
20 Years			
Period Ending	Principal	Interest	Debt Service
6/1/22	23,885		23,885
9/1/22	23,885		23,885
12/1/22	23,885		23,885
3/1/23	23,885		23,885
6/1/23	23,885		23,885
9/1/23	23,885		23,885
12/1/23	23,885		23,885
3/1/24	23,885		23,885
6/1/24	23,885		23,885
9/1/24	23,885		23,885
12/1/24	23,885		23,885
3/1/25	23,885		23,885
6/1/25	23,885		23,885
9/1/25	23,885		23,885
12/1/25	23,884		23,884
3/1/26	23,884		23,884
6/1/26	23,884		23,884
9/1/26	23,884		23,884
12/1/26	23,884		23,884
3/1/27	23,884		23,884
6/1/27	23,884		23,884
9/1/27	23,884		23,884
12/1/27	23,884		23,884
3/1/28	23,884		23,884
6/1/28	23,884		23,884
9/1/28	23,884		23,884
12/1/28	23,884		23,884
3/1/29	23,884		23,884
6/1/29	23,884		23,884
9/1/29	23,884		23,884
12/1/29	23,884		23,884
3/1/30	23,884		23,884
6/1/30	23,884		23,884
9/1/30	23,884		23,884
12/1/30	23,884		23,884
3/1/31	23,884		23,884
6/1/31	23,885		23,885
	1,910,778		1,910,778
Plus a quarterly administrative fee of			
\$2,418.31 for a total administrative			
expense of \$193,464.80			

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
9/2/2009

Entered: August 13, 2009

CASE NO. 09-0855-S-SCN

CITY OF NITRO, a municipality.
Application for a certificate of convenience and necessity for a project to replace headworks, addition of garage/maintenance building and replacement of flow meters at the wastewater treatment facilities and replacement of Pump Station No. 7.

RECOMMENDED DECISION

PROCEDURE

On May 27, 2009, the City of Nitro Regional Wastewater Utility (City) filed an application with the Public Service Commission, pursuant to W. Va. Code §24-2-11, for a certificate of convenience and necessity to replace a wastewater pump station; replace the headworks at the wastewater treatment facility; construct a new garage/maintenance building; and replace flow meters. The City provides sewer service to approximately 4,223 customers in and around the City of Nitro. The estimated cost of the project is \$2,250,000 and was to be funded by a loan in the amount of \$2,250,000 from the West Virginia Department of Environmental Protection (DEP) Clean Water State Revolving Fund, for a term of twenty (20) years at an annual interest rate of 3%. The City did not anticipate that an increase in rates and charges would be necessary and intended to continue charging the rates which it enacted on March 15, 2005, and which became effective on May 2, 2005.

The City represented that the only permit required for construction of the project is an NPDES modification permit, which is currently under review by the DEP. The City stated that no other public utility is affected or will be affected, financially or otherwise, by the project and that the project will not infringe on the service territory of any other public utility. The City stated that the project will significantly improve the sewer services provided by the City. Along with the application, the City filed a facilities plan; an engineering design report; plan drawings; project specifications and proposed construction contract documents; a draft of Form 14, the Notice of Filing required by the Commission's Rules of Practice and Procedure; the City's existing tariff; and an estimated project cost and source of funds.

By Commission Order entered on June 3, 2009, the City was directed to publish a copy of the Commission's Notice of Filing Order one time in a qualified newspaper, published and generally circulated in Kanawha

County, making due return to the Commission of proper certification of publication immediately thereafter. Anyone desiring to protest the application or intervene in the proceeding was given leave to file a written protest or notice of intervention within thirty (30) days from the date of publication. The Notice of Filing also provided that, if no substantial protest to the application was filed within the 30-day period, the Commission could waive formal hearing and grant the application based upon the evidence submitted with the application and its review thereof.

On June 4, 2009, Staff Attorney C. Terry Owen filed the Initial Joint Staff Memorandum herein, along with Staff's first set of data requests and interrogatories to the City. Attached to Mr. Owen's memorandum was the Initial Staff Internal Memorandum prepared by Utilities Analyst Troy Eggleton of the Water and Wastewater Division and Engineering Technician John Mottesheard of the Engineering Division. The Staff memoranda listed the various additional elements of information which were required in order for it to render a final recommendation. Staff also noted that, upon inspection of the application, it was discovered that the City had not filed a Rule 42 Exhibit or a request for a waiver for the filing of such an exhibit; the funding letter from the DEP; the facilities plan; or the engineering design report.

By Commission Referral Order entered on June 11, 2009, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before August 27, 2009.

On June 16, 2009, the City filed its responses to Staff's data requests, including, among other things, a motion to waive the requirement to file a Rule 42 Exhibit and, in place of a Rule 42 Exhibit, an accountant's preliminary certificate; a cash flow analysis prepared by the City's accountant for the 11-month period beginning July 1, 2008, ending May 31, 2009, annualized through June 30, 2009; the funding letter from the DEP; and the facilities plan and engineering design report. The DEP letter, dated June 10, 2009, stated that the City appeared to be eligible to be considered for a \$2,250,000 loan, with a negative 3% interest rate for a term of 38 years, which represented approximately 50% debt forgiveness. There would be an annual administrative fee of 1% for the amount of the loan to be repaid.

On June 17, 2009, the City filed a Notice of Filing cut out of the newspaper, verifying that the Notice of Filing issued by the Commission was published by the City of Nitro. However, the City did not file the affidavit of publication from the newspaper which stated the date of publication. That information is necessary in order to calculate the statutorily required 30-day protest period.

On July 17, 2009, a cash flow analysis for the period of June 1, 2008, through May 31, 2009, was filed, indicating that, after project completion, the City anticipated having a cash flow surplus of \$18,738 and a debt service coverage of 116%.

On July 27, 2009, Staff Attorney Owen filed the Final Joint Staff Memorandum in this proceeding, attached to which was the Final Internal Memorandum prepared by Mr. Eggleton and Mr. Mottesheard. The engineering review indicated that the City currently provides wastewater collection

and treatment service to approximately 4,381 customers in Kanawha and Putnam counties. The current wastewater treatment plant is rated as a 1,875,000 gpd contact stabilization system. The instant project is designed to upgrade the headworks; install a new master flow meter; build a prefabricated metal building to serve as a garage/maintenance building; and replace Pump Station No. 7. As part of the certificate filing, \$37,000 was included for sewer main replacement/realignment work on Washington Avenue, which had already been performed pursuant to a Commission Order issued in March of 2007. The estimated project cost is \$2,250,000, with an estimated construction cost of \$1,365,000. Staff noted that the project had not actually been bid and that, once bids were actually received, it was likely that project cost would change. Staff noted that the total cost of planning, engineering and inspection services for the project represented approximately 30% of total construction cost, which Staff felt was very high, based upon similar types of projects.

According to Commission Staff, based upon the information provided, the existing screen and grit equipment at the headworks require constant maintenance and currently are out of service. A new elevated headworks, with two mechanical screens, a piston grit removal system and a dewatering unit will be constructed beside the existing headworks. The City has several pieces of equipment, such as trucks, a sewer cleaner, maintenance equipment, etc., which are kept at the plant and are constantly exposed to the weather, making it difficult to perform routine and/or unexpected maintenance on the vehicles and equipment, especially in extreme weather conditions. The construction of a new garage/maintenance building will alleviate some of the weather-related issues and prolong the useful life of the vehicles and equipment. A new single master flow meter will also be installed to better track effluent flow, in place of four different flow meters. Pump station number 7 will be completely replaced, due to years of subsidence. Commission Staff believes that the only alternative for the proposed project was what had been planned by the City and its engineer.

The project engineer estimated that operation and maintenance expenses would increase by approximately \$110,484 annually, due to additional labor, power cost, chemicals, and miscellaneous items. Staff had reviewed and agreed with those calculations. Engineering Staff also completed a review of the plans, specifications and other documents provided by the City and found no conflict with the Commission's Rules and Regulations for the Government of Sewer Utilities (Sewer Rules). If the City has not yet received all of the required permits, Staff reminded the City that construction may not begin prior to receipt of the required permits. Technical Staff recommended approval of the project, contingent upon receiving all necessary permits, without specifically approving the project plans and specifications.

The financial review of the project indicated that the project is to be funded through economic stimulus funds provided by The American Recovery and Reinvestment Act of 2009 (ARRA) through the DEP, with a negative 3% interest rate, for a term of 38 years, equaling approximately 50% debt forgiveness. There will also be an annual 1% administrative fee for the amount of the loan to be repaid. An analysis of the annualized cash flow statement and the City's existing rates and charges resulted in a Staff-recommended cash flow which indicated that, at project comple-

tion, the City should experience a cash flow surplus of \$70,067 and debt service coverage of 128.33%.

Commission Staff recommended that the City be granted a certificate of convenience and necessity for the proposed project; that the project financing be approved; and that several other conditions be approved with respect to the project.

On August 11, 2009, the City filed the actual affidavit of publication from the Charleston Newspapers, verifying that the Notice of Filing was published in The Charleston Gazette, a qualified newspaper published and generally circulated in Kanawha County, on June 9, 2009. The 30-day protest period expired on July 9, 2009, with no protests having been filed either by that date or as of the date of this decision.

DISCUSSION

The Project at issue herein, in and of itself, is not remarkable and appears to be well-justified. There is more than ample proof of need to support the conclusion that the public convenience and necessity require the Project and that the Project appears to be economically and financially viable, based upon the proposed ARRA funding and the City's current sewer rates and charges. This Project is remarkable because it is one of the SCN applications created by the Public Service Commission in General Order No. 182.09, issued on April 16, 2009. In that General Order, the Commission discussed the process to be followed for water and sewer certificate projects that are to be funded with stimulus funds under the ARRA.¹ The Commission noted that the State Bureau for Public Health will have approximately 19.5 million dollars in federal stimulus funds for water projects, while the DEP will have approximately 61 million dollars for sewer projects. Those projects have to be bid by August 2009 and the contracts awarded by October 2009. The economic stimulus projects are made more complicated by the fact that the funding agencies overseeing the distribution of economic stimulus funds will not be finally awarding those funds through a traditional commitment letter until approximately August or September of 2009. Economic stimulus money is awarded on a "first come, first served" basis and there is no guarantee that any project which received a letter from either DEP or the Bureau for Public Health, indicating that a project was eligible for certain level of ARRA funding, will actually receive the originally specified level of ARRA funding, or any ARRA funding at all.

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

¹While the availability of ARRA funding has generated a flurry of SCN certificate filings with accelerated timelines, there has been no statutory change in the West Virginia Code to accommodate the ARRA funding. For the purposes of W. Va. Code § 24-2-11, ARRA funding is no different from any other funding.

letter with the Commission, as a closed entry, detailing the new financing package, with no further Commission action.

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

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

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

cate proceeding for the purpose of reviewing the financial viability of the certificated project.

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

FINDINGS OF FACT

1. On May 27, 2009, the City of Nitro filed an application with the Public Service Commission for a certificate of public convenience and necessity to construct, operate and maintain improvements to its sewer system. The project has been approved by the West Virginia Infrastructure and Jobs Development Council. (See, application filed May 27, 2009; Final Joint Staff Memorandum and attachment filed July 27, 2009).

2. By Notice of Filing Order entered on June 3, 2009, the City of Nitro was required to publish a Notice of Filing one time in a newspaper, published and generally circulated in Kanawha County, providing anyone affected by the application thirty (30) days in which to file written protests with the Public Service Commission. No protests were filed within the thirty-day protest period or as of the date of this Order. (See, Notice of Filing Order entered May 8, 2009; affidavit of publication filed August 11, 2009; case file generally).

3. The City has received a letter from the West Virginia Department of Environmental Protection informing it that the Project is eligible to be considered for an award of economic stimulus funds, under The American Recovery and Reinvestment Act of 2009, with said funding to be in the form of a \$2,250,000 loan, with a -3% interest rate for a term of 38 years, which equals an approximate 50% debt forgiveness. There will also be an annual administrative fee in the amount of 1% for the amount of the loan to be repaid. (See, DEP letter dated June 10, 2009, filed June 16, 2009).

4. The Project will not require a rate increase. Based upon the City's current rates, and with adjustment by Commission Staff for different expenses, the City should experience a cash flow surplus of \$70,067, with debt service coverage of 128.33%. (See, Final Joint Staff Memorandum and attachment filed July 27, 2009).

5. Commission Technical Staff has reviewed the original plans and specifications for the Project and has concluded that there are no conflicts with the Commission's Sewer Rules concerning engineering requirements. (See, Final Joint Staff Memorandum and attachment filed July 27, 2009).

6. The existing screen and grit equipment at the headworks of the City's treatment plant require constant maintenance and currently are out of service. A new elevated headworks with 2 mechanical screens, a pista grit removal system and dewatering unit will be constructed beside the existing headworks. The City has several pieces of equipment that are constantly exposed to the weather. The construction of a new garage/maintenance building will alleviate the weather-related issues and prolong the useful life of vehicles and equipment. A new single master flow meter will be installed to better track effluent flow. Finally, Pump Station No. 7 will be completely replaced due to years of subsidence. (See, Final Joint Staff Memorandum and attachment filed July 27, 2009).

7. After concluding its review, Commission Staff recommended that a certificate of convenience and necessity be granted to the City of Nitro, that the proposed ARRA financing be approved and that various other conditions with regard to certification of the project be adopted. (See, Final Joint Staff Memorandum and attachment filed July 27, 2009).

CONCLUSIONS OF LAW

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

2. In order to accommodate the unique timing issues involving the economic stimulus funds provided under The American Recovery and Reinvestment Act of 2009, and recognizing that these funds are available for a short period on a one-time only basis, it is reasonable to modify some of the Commission's traditional requirements regarding certificate applications, as set forth in the ordering paragraphs of this decision.

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

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

5. The proposed funding package for the project, consisting of the DEP loan of ARRA funds in the amount of \$2,250,000, at an interest rate of negative 3% with a 1% annual administrative fee, is reasonable and is

sufficient to cover the cost of the project, at its current cost estimates.

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

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

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the City of Nitro on May 28, 2009, for a certificate of convenience and necessity to construct, operate and maintain improvements to its wastewater facilities, all as more particularly described in the plans and specifications filed with the application, at a total cost of approximately \$2,250,000, be, and it hereby is, granted, without specifically approving the plans and specifications filed herein.

IT IS FURTHER ORDERED that the proposed project financing package, consisting of a loan in the amount of \$2,250,000 from the Department of Environmental Protection, at an interest rate of negative 3%, and a 1% annual administrative fee, using funds provided by The American Recovery and Reinvestment Act of 2009, be, and it hereby is, approved. Upon finalization of the funding package, the City of Nitro shall file a letter with the Commission detailing the specifics of that funding package, including the terms and conditions of any loans awarded. If the funding package is revised, but still includes ARRA funds, the City is not required to petition the Commission for approval of that revised project financing, as long as the revised ARRA funding package does not require an additional rate increase. It will be sufficient for the City to file the revised funding commitment documentation, along with a certification from its certified public accountant or bond counsel that the revised funding package is adequate to cover all project costs and will not require any additional rate increase.

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

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

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

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

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

IT IS FURTHER ORDERED that the City's motion for a waiver of the requirement to file a Rule 42 Exhibit be, and hereby is, granted.

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

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

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

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

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



Melissa K. Marland
Chief Administrative Law Judge

MKM:cdk:bam
090855a.wpd

West Virginia Infrastructure & Jobs Development Council

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

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
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Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

June 8, 2007

Danny Lewis, General Manager
Nitro Regional Wastewater Utility
P.O. Box 607
Nitro, West Virginia 25143

Re: City of Nitro Regional Wastewater Utility
Sewer Project 2007S-979

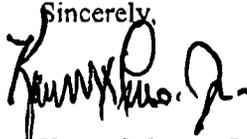
Dear Mr. Lewis:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the City of Nitro Regional Wastewater Utility's (the "City") preliminary application regarding its proposed project to replace headworks, construct a new garage/maintenance building and new flowmeter at the wastewater treatment plant; replace Pump Station #7 and relocate sewer along Washington Avenue; and pay line of credit for Blakes Creek sewer extension design (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 City should carefully review the enclosed comments of the Sewer Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the preliminary application, the Infrastructure Council recommends that the City pursue a \$2,250,000 Clean Water State Revolving Fund loan to fund this project. Please contact the WV Department of Environmental Protection office at 926-0495 for specific information on the steps the District 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, P.E., DEP (w/o enclosure)
Region III Planning & Development Council
S & S Engineers, Inc.

CITY OF NITRO

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

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 12th day of November, 2009, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the City of Nitro (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 12th day of November, 2009, the Authority received the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), of the Issuer, in the principal amount of \$1,910,778, numbered AR-1 (the "Series 2009 A Bonds") and the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, in the principal amount of \$1,125,000, numbered BR-1 (the "Series 2009 B Bonds"), each issued as a single, fully registered Bond, and each dated November 12, 2009.

2. At the time of such receipt, all the Series 2009 A Bonds and the Series 2009 B Bonds had been executed by the Mayor and the Recorder of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2009 A Bonds, of ~~\$1,910,778~~ ^{315,882}, being a portion of the principal amount of the Series 2009 A Bonds. The balance of the principal amount of the Series 2009 A Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection (the "DEP") to the Issuer as acquisition and construction of the Project progresses.

4. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2009 B Bonds, of ~~\$1,125,000~~ ^{42,094}, being a portion of the principal amount of the Series 2009 B Bonds. The balance of the principal amount of the Series 2009 B Bonds will be advanced by the Authority and by the DEP to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative

CITY OF NITRO

By: [Signature]
Its: Mayor

CITY OF NITRO

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

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

United National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 12th day of November, 2009.

(1) Bond No. AR-1, constituting the entire original issue of the City of Nitro Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), in the principal amount of \$1,910,778 (the "Series 2009 A Bonds") and Bond No. BR-1, constituting the entire original issue of the City of Nitro Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the principal amount of \$1,125,000 (the "Series 2009 B Bonds"), both dated November 12, 2009 (collectively, the "Series 2009 Bonds"), executed by the Mayor and the Recorder of the City of Nitro (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 20, 2009, and a Supplemental Resolution duly adopted by the Issuer on November 3, 2009 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of an ARRA Assistance Agreement for the Series 2009 Bonds, dated November 12, 2009 (the "ARRA Assistance Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"); and

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

You are hereby requested and authorized to deliver the Series 2009 A Bonds to the Authority upon payment to the Issuer of the sum of \$315,992, representing a portion of the principal amount of the Series 2009 A Bonds. You are further hereby requested and authorized to deliver the Series 2009 B Bonds to the Authority upon payment to the Issuer of the sum of \$42,094, representing a

portion of the principal amount of the Series 2009 B Bonds. Prior to such delivery of the Series 2009 Bonds, you will please cause the Series 2009 Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

CITY OF NITRO

By: 
Its Mayor

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

No. AR-1

\$1,910,778

KNOW ALL MEN BY THESE PRESENTS: That on the 12th day of November, 2009, the CITY OF NITRO, a municipal corporation and political subdivision of the State of West Virginia in Kanawha and Putnam Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION EIGHT HUNDRED EIGHTY ONE THOUSAND NINE HUNDRED FIFTY EIGHT DOLLARS (\$1,910,778), 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, 2011, to and including March 1, 2031, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing June 1, 2011, as set forth on Exhibit B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement (the "ARRA Assistance Agreement") by and among the Issuer, the Authority and the DEP dated November 12th, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on October 20, 2009, and a Supplemental Resolution duly adopted by the Issuer on November 3, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

SPECIMEN

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1995 DATED JULY 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$373,000 (THE "SERIES 1995 BONDS") AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; (II) SEWER REVENUE BONDS, SERIES 1996, DATED DECEMBER 10, 1996 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,575,902 (THE "SERIES A 1996 BONDS") AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; (III) SEWER REVENUE BONDS SERIES 2000 A, DATED JUNE 28, 2000 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,050,000 AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, AND; (IV) SEWER SYSTEM REVENUE BONDS SERIES 2001 A DATED JUNE 5, 2001 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$543,900 AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (COLLECTIVELY, THE "PRIOR BONDS"), AND (V) THE SERIES 2009 B BONDS, DATED NOVEMBER 12, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,125,000, (THE "SERIES 2009 B BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THE FIRST LIEN BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the First Lien Bonds and the Series 2009 B Bonds, and senior and prior to the Series 1986 B Bonds and from monies in the Reserve Account created under the Bond Legislation for the Series 2009 A Bonds (the "Series 2009 A Bonds Reserve Account"), and unexpended proceeds of the Series 2009 A Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Series 2009 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenue on a parity with the Series 2009 A Bonds including the Prior Bonds and the Series 2009 B Bonds; provided however, that, so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2009 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Series 2009 A Bonds, including the Series 2009 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond

Legislation) by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

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

IN WITNESS WHEREOF, the CITY OF NITRO has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated the day and year first written above.

[SEAL]



Mayor

ATTEST:



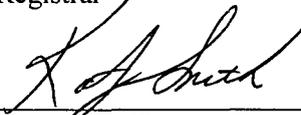
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 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: November 12, 2009.

UNITED BANK, INC.
as Registrar



Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$315,992	11/12/09	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL _____

EXHIBIT B

DEBT SERVICE SCHEDULE

**SCHEDULE Y
DEBT SERVICE SCHEDULES**

0% Interest Rate, 1% Administrative Fee			
20 Years			
	Dated Date	11/12/09	
	Delivery Date	11/12/09	
Period Ending	Principal	Interest	Debt Service
11/12/09			
9/1/11	23,885		23,885
12/1/11	23,885		23,885
3/1/12	23,885		23,885
6/1/12	23,885		23,885
9/1/12	23,885		23,885
12/1/12	23,885		23,885
3/1/13	23,885		23,885
6/1/13	23,885		23,885
9/1/13	23,885		23,885
12/1/13	23,885		23,885
3/1/14	23,885		23,885
6/1/14	23,885		23,885
9/1/14	23,885		23,885
12/1/14	23,885		23,885
3/1/15	23,885		23,885
6/1/15	23,885		23,885
9/1/15	23,885		23,885
12/1/15	23,885		23,885
3/1/16	23,885		23,885
6/1/16	23,885		23,885
9/1/16	23,885		23,885
12/1/16	23,885		23,885
3/1/17	23,885		23,885
6/1/17	23,885		23,885
9/1/17	23,885		23,885
12/1/17	23,885		23,885
3/1/18	23,885		23,885
6/1/18	23,885		23,885
9/1/18	23,885		23,885
12/1/18	23,885		23,885
3/1/19	23,885		23,885
6/1/19	23,885		23,885
9/1/19	23,885		23,885
12/1/19	23,885		23,885
3/1/20	23,885		23,885
6/1/20	23,885		23,885
9/1/20	23,885		23,885
12/1/20	23,885		23,885
3/1/21	23,885		23,885
6/1/21	23,885		23,885
9/1/21	23,885		23,885
12/1/21	23,885		23,885
3/1/22	23,885		23,885

0% Interest Rate, 1% Administrative Fee			
20 Years			
Period Ending	Principal	Interest	Debt Service
6/1/22	23,885		23,885
9/1/22	23,885		23,885
12/1/22	23,885		23,885
3/1/23	23,885		23,885
6/1/23	23,885		23,885
9/1/23	23,885		23,885
12/1/23	23,885		23,885
3/1/24	23,885		23,885
6/1/24	23,885		23,885
9/1/24	23,885		23,885
12/1/24	23,885		23,885
3/1/25	23,885		23,885
6/1/25	23,885		23,885
9/1/25	23,885		23,885
12/1/25	23,884		23,884
3/1/26	23,884		23,884
6/1/26	23,884		23,884
9/1/26	23,884		23,884
12/1/26	23,884		23,884
3/1/27	23,884		23,884
6/1/27	23,884		23,884
9/1/27	23,884		23,884
12/1/27	23,884		23,884
3/1/28	23,884		23,884
6/1/28	23,884		23,884
9/1/28	23,884		23,884
12/1/28	23,884		23,884
3/1/29	23,884		23,884
6/1/29	23,884		23,884
9/1/29	23,884		23,884
12/1/29	23,884		23,884
3/1/30	23,884		23,884
6/1/30	23,884		23,884
9/1/30	23,884		23,884
12/1/30	23,884		23,884
3/1/31	23,884		23,884
6/1/31	23,885		23,885
	1,910,778		1,910,778
Plus a quarterly administrative fee of \$2,418.31 for a total administrative expense of \$193,464.80			

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

In the presence of:

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

No. BR-1

\$1,125,000

KNOW ALL MEN BY THESE PRESENTS: That on the 12th day of November, 2009, the CITY OF NITRO, a municipal corporation and political subdivision of the State of West Virginia in Kanawha and Putnam Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$1,125,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, to and including March 1, 2021 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. This Bond shall not be subject to the SRF Administrative Fee (as defined in the hereinafter describe Bond Legislation).

This Bond shall bear no interest. Principal installments of this Bond are forgivable quarterly as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement (the "ARRA Assistance Agreement") by and among the Issuer, the Authority and the DEP, dated November 12, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on October 20, 2009, and a Supplemental Resolution duly adopted by the Issuer on November 3, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1995 DATED JULY 27, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$373,000 (THE "SERIES 1995 BONDS") AND HELD BY

RECIMEN

THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; (II) SEWER REVENUE BONDS, SERIES 1996, DATED DECEMBER 10, 1996 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,575,902 (THE "SERIES A 1996 BONDS") AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; (III) SEWER REVENUE BONDS SERIES 2000 A, DATED JUNE 28, 2000 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,050,000 AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, AND; (IV) SEWER SYSTEM REVENUE BONDS SERIES 2001 A DATED JUNE 5, 2001 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$543,900 AND HELD BY THE STATE OF WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (COLLECTIVELY, THE "PRIOR BONDS") AND (V) THE SERIES 2009 A BONDS, DATED AUGUST 26, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,910,778, (THE "SERIES 2009 A BONDS"), ISSUED SIMULTANEOUSLY HEREWITH.

THE FIRST LIEN BONDS ARE HEREINAFTER COLLECTIVELY CALLED THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the First Lien Bonds and the Series 2009 A Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Series 2009 B Bonds (the "Series 2009 B Bonds Reserve Account"), and unexpended proceeds of the Series 2009 B Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2009 B Bonds Reserve Account and unexpended proceeds of the Series 2009 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Series 2009 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 B Bonds including the Series 2009 A Bonds and the Prior Bonds; provided however, that, so long as there exists in the Series 2009 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2009 B Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Bonds, including the Series 2009 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, the CITY OF NITRO has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, has caused this Bond to be dated the day and year first written above.

[SEAL]



Mayor

ATTEST:



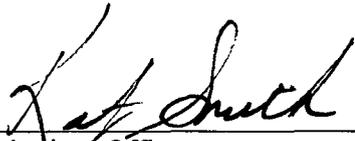
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: November 12, 2009.

UNITED BANK, INC.
as Registrar



Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$42,094	November 12, 2009	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

10 Years			
	Dated		
	Date	11/12/09	
	Delivery		
	Date	11/12/09	
Period	Debt	Principal	
Ending	Service	Forgiveness	
11/12/09			
9/1/11	-28,125	--28125	
12/1/11	-28,125	--28125	
3/1/12	-28,125	--28125	
6/1/12	-28,125	--28125	
9/1/12	-28,125	--28125	
12/1/12	-28,125	--28125	
3/1/13	-28,125	--28125	
6/1/13	-28,125	--28125	
9/1/13	-28,125	--28125	
12/1/13	-28,125	--28125	
3/1/14	-28,125	--28125	
6/1/14	-28,125	--28125	
9/1/14	-28,125	--28125	
12/1/14	-28,125	--28125	
3/1/15	-28,125	--28125	
6/1/15	-28,125	--28125	
9/1/15	-28,125	--28125	
12/1/15	-28,125	--28125	
3/1/16	-28,125	--28125	
6/1/16	-28,125	-28,125	
9/1/16	--28125	--28125	
12/1/16	--28125	-28,125	
3/1/17	-28,125	-28,125	
6/1/17	-28,125	-28,125	
9/1/17	-28,125	-28,125	
12/1/17	-28,125	-28,125	
3/1/18	-28,125	-28,125	
6/1/18	-28,125	-28,125	
9/1/18	-28,125	-28,125	
12/1/18	-28,125	-28,125	
3/1/19	-28,125	-28,125	
6/1/19	-28,125	-28,125	
9/1/19	-28,125	-28,125	
12/1/19	-28,125	-28,125	
3/1/20	-28,125	-28,125	
6/1/20	-28,125	-28,125	
9/1/20	-28,125	-28,125	
12/1/20	-28,125	-28,125	
3/1/21	-28,125	-28,125	
6/1/21	-28,125	-28,125	
	1,125,000	1,125,000	

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

In the presence of:

THE VAUGHAN LAW FIRM
Attorneys and Counsellors at Law

DENNIS R. VAUGHAN, JR.

WEST VIRGINIA MUNICIPAL LEAGUE CENTER
2020 KANAWHA BOULEVARD, EAST
CHARLESTON, WEST VIRGINIA 25311

TELEPHONE (304) 342-3900
TELECOPY (304) 344-2386

November 12, 2009

City of Nitro
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program)

City of Nitro
Nitro, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Nitro (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its \$1,910,778 Sewer Revenue Bonds, Series 2009 A (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) an ARRA assistance agreement dated November 12, 2009, including all schedules and exhibits attached thereto (the "ARRA Assistance Agreement"), among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the ARRA Assistance Agreement. The Bonds are issued in the principal amount of \$1,910,778, 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, 2011, to and including March 1, 2031, all as set forth in "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Bonds. The Series 2009 A Bonds are subject to the SRF Administrative Fee equal to 1% of the principal amount of the Series 2009 A Bonds as set forth in the Schedule Y attached to the ARRA Assistance Agreement.

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

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on October 20, 2009, as supplemented by the Supplemental

Resolution duly adopted by the Issuer on November 3, 2009 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the ARRA Assistance Agreement has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the ARRA Assistance Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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

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

2. The ARRA Assistance Agreement inures to the benefit of the Authority and DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

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

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

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 1995 dated July 27, 1995, issued in the original aggregate principal amount of \$373,000 (the "Series 1995 Bonds") and held by the State of West Virginia Water Development Authority; (ii) Sewer Revenue Bonds, Series 1996, dated December 10, 1996 issued in the original aggregate principal amount of \$4,575,902 (the "Series A 1996 Bonds") and held by the State of West Virginia Water Development Authority; (iii) Sewer Revenue Bonds Series 2000 A, dated June 28, 2000 issued in the original aggregate principal amount of \$2,050,000 and held by the State of West Virginia Water Development Authority, and; (iv) Sewer System Revenue Bonds Series 2001 A dated June 5, 2001 issued in the original aggregate principal amount of \$543,900 and held by the State of West Virginia Water Development Authority (collectively, the "Prior Bonds"); and (v) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated November 12, 2009, issued in the original aggregate principal amount of \$1,125,000, (the "Series 2009 B Bonds") issued contemporaneously herewith. The Design Loan hereinbefore made by the West Virginia Water Development Authority to the City in the original principal sum of \$313,929 dated May 29, 2008 has been paid in full as of the date hereof and no longer constitutes a lien on the Project.

6. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

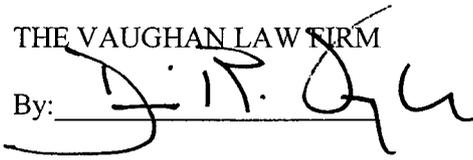
7. The Bonds have not been issued on the basis that the interest thereon, if any, is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal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

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

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

Very truly yours,

THE VAUGHAN LAW FIRM

By: 

THE VAUGHAN LAW FIRM
Attorneys and Counsellors at Law

DENNIS R. VAUGHAN, JR.

WEST VIRGINIA MUNICIPAL LEAGUE CENTER
2020 KANAWHA BOULEVARD, EAST
CHARLESTON, WEST VIRGINIA 25311

TELEPHONE (304) 342-3900
TELECOPY (304) 344-2386

November 12, 2009

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

City of Nitro
Winfield, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Nitro (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its \$1,125,000 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) an ARRA assistance agreement dated November 12, 2009, including all schedules and exhibits attached thereto (the "ARRA Assistance Agreement"), among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the ARRA Assistance Agreement. The Bonds are issued in the principal amount of \$1,125,000, in the form of one bond, bearing no interest, registered as to principal only to the Authority, with 100% of the principal being forgiven as set forth in the ARRA Assistance Agreement. The Series 2009 B Bonds are not subject to the SRF Administrative Fee.

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

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the bond ordinance duly enacted by the Issuer on October 20, 2009, as supplemented by the Supplemental Resolution duly adopted by the Issuer on November 3, 2009 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the

ARRA Assistance Agreement has been undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the ARRA Assistance Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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

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

2. The ARRA Assistance Agreement inures to the benefit of the Authority and DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the consent of the Authority and the DEP.

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

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

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 1995 dated July 27, 1995, issued in the original aggregate principal amount of \$373,000 (the "Series 1995 Bonds") and held by the State of West Virginia Water Development Authority; (ii) Sewer Revenue Bonds, Series 1996, dated December 10, 1996 issued in the original aggregate principal amount of \$4,575,902 (the "Series A 1996 Bonds") and held by the State of West Virginia Water Development Authority; (iii) Sewer Revenue Bonds Series 2000 A, dated June 28, 2000 issued in the original aggregate principal amount of \$2,050,000 and held by the State of West Virginia Water Development Authority, and; (iv) Sewer System Revenue Bonds Series 2001 A dated June 5, 2001 issued in the original aggregate principal amount of \$543,900 and held by the State of West Virginia Water Development Authority (collectively, the "Prior Bonds"); and (v) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated November 12, 2009, issued in the original aggregate principal amount of \$1,910,778 (the "Series 2009 A Bonds") issued contemporaneously herewith, 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. 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

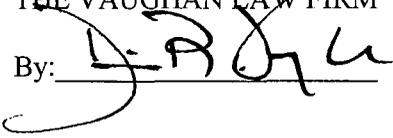
express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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,

THE VAUGHAN LAW FIRM

By: 



November 12, 2009

**City of Nitro
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)**

City of Nitro
Nitro, West Virginia 25143

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Nitro, West Virginia in Kanawha and Putnam Counties, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of The Vaughan Law Firm as bond counsel, an ARRA Assistance Agreement for the Series 2009 Bonds, dated November 12, 2009, including all schedules and exhibits attached thereto, by and among the Issuer and the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), (the "ARRA Assistance Agreement"), a Bond Ordinance duly enacted by the Issuer on October 20, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 3, 2009 (collectively the "Bond Legislation"), a Petition of the Sanitary Board duly adopted on May 19, 2009, and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the ARRA Assistance Agreement when used herein.

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

2. The ARRA Assistance Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the Issuer enforceable in accordance with its terms.

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

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

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the DEP and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance dated March 22, 2007. Such ordinance remains in full force and effect.

6. The Issuer has received the State of West Virginia Public Service Commission Decision entered on August 13, 2009, in Case No. 09-0855-S-SCN, 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 Final Order has expired prior to the date hereof; the same becoming final on September 2, 2009. Such order remains in full force and effect.

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

8. Prior to the execution of construction contracts by the Issuer, I will verify that all successful bidders have made the required provisions for all insurance and payment and performance bonds and we will verify such insurance policies and bonds for accuracy. Prior to the execution of construction contracts by the Issuer, I will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies: (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the ARRA Assistance Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

9. The contracts contain language requiring the contractors to provide affidavits from all contractors and subcontractors and subcontractors indicating that each contractor and subcontractor have a drug free workplace policy pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended. The contractor has submitted a plan to implement the drug free workplace policy, prior to the awarding of the contract pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931 as amended.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Richard A. Robb". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Richard A. Robb
City Attorney

RAR/ajpt



FINAL TITLE OPINION

November 12, 2009

West Virginia Department of Environmental Protection
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

RE: City of Nitro

Dear Ladies & Gentlemen:

This firm represents the City of Nitro (the "City") as its City Attorney with regard to a proposed project to upgrades and improvements to the City's sanitary and sewer collection and treatment facilities, together with all appurtenant facilities (the "Project"), and provides this final title opinion on behalf of the City to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") with regard to the financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the City is a duly created and existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the DEP.
2. That the City has obtained approval for all necessary permits and approvals for the construction of the Project.
3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by S&S Engineers, the consulting engineers for the Project.

November 12, 2009

City of Nitro

Page 2

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Ritchie Robb", with a long horizontal flourish extending to the right.

Ritchie Robb

City Attorney for the City of Nitro

CITY OF NITRO

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

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR and RECORDER of the City of Nitro in Kanawha and Putnam Counties, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER hereby certifies on this 12th day of November, 2009 in connection with the Issuer's Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), both dated the date hereof (collectively, the "Series 2009 Bonds" or individually, the "Series 2009 A Bonds" and the "Series 2009 B Bonds," respectively), 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 20, 2009, and the Supplemental Resolution duly adopted November 3, 2009 (collectively, the "Bond Legislation").

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Series 2009 Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues or any grants, or in any way contesting or affecting the validity of the Series 2009 Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2009 Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Series 2009 Bonds or the existence or the powers of the Issuer insofar as they relate to the

authorization, sale and issuance of the Series 2009 Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Net Revenues or the pledge of Net Revenues as security for the Series 2009 Bonds.

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

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

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Sewer Revenue Bonds, Series 1995 dated July 27, 1995, issued in the original aggregate principal amount of \$373,000 (the "Series 1995 Bonds") and held by the West Virginia Water Development Authority; (ii) Sewer Revenue Bonds, Series 1996, dated December 10, 1996 issued in the original aggregate principal amount of \$4,575,902 (the "Series A 1996 Bonds") and held by the West Virginia Water Development Authority; (iii) Sewer Revenue Bonds Series 2000 A, dated June 28, 2000 issued in the original aggregate principal amount of \$2,050,000 and held by the West Virginia Water Development Authority, and; (iv) Sewer System Revenue Bonds Series 2001 A dated June 5, 2001 issued in the original aggregate principal amount of \$543,900 and held by West Virginia Water Development Authority (collectively, the "Prior Bonds"). The First Lien Bonds and the Series 1986 B Bonds are hereinafter referred to as the "Prior Bonds". The Issuer is current on all Prior Bonds' payments and is in compliance with all covenants and requirements of the Prior Ordinances. The Design Loan is being paid off simultaneously with the issuance of the A and B Bonds.

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

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

Bond Ordinance

Supplemental Resolution

ARRA Assistance Agreement

Public Service Commission Orders

Infrastructure Council Approval

City Charter

Ordinance creating Sanitary Board

Petition of Sanitary Board

Oaths of Office of Officers and Councilmembers

Resolution on Open Governmental Proceedings Rules

Sewer Rate Ordinance

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

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

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

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

Consent of WDA to Issuance of Parity Bonds

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Nitro". The Issuer is a municipal corporation in Putnam County and is presently existing under the laws of, and is a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor, Recorder and five (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
Rusty Casto, Mayor	July 1, 2008	June 30, 2012
Rita Cox, Recorder	July 1, 2008	June 30, 2012
A.A. "Joe" Savilla	July 1, 2008	June 30, 2012
Bill Racer	July 1, 2008	June 30, 2012
Craig Matthews	July 1, 2008	June 30, 2012

Bill Javins	July 1, 2008	June 30, 2012
Dave Casebolt	July 1, 2008	June 30, 2012
Bob Fields	July 1, 2008	June 30, 2012
Jim McKay	July 1, 2008	June 30, 2012

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

Name

Rusty Casto, Chairman
 Danny L. Lewis, General Manager
 H. Kim Painter, Member
 BS Saluja, Member
 Rich Hively, Member
 Harry Miller, Member

The duly appointed and acting Counsel to the Issuer is Ritchie Robb, in South 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 will be acquired by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Series 2009 Bonds.

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2009 Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. Prior to the execution of construction contracts by the Issuer, all insurance for the System required by the Bond Legislation will be in full force and effect.

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

The Issuer hereby covenants and agrees to the terms and conditions set forth in the Special Conditions of the ARRA Assistance Agreement attached hereto as Exhibit A herein and incorporated herein.

11. RATES: The Issuer has duly enacted a sewer rate ordinance on March 22, 2007, setting rates and charges of the System. The time for appeal of such Order has expired prior to the date hereof without any appeal and such rates are currently in full force and effect.

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

13. BOND PROCEEDS; GRANTS: On the date hereof, the Issuer received \$315,992 from the Authority and the DEP, being a portion of the principal amount of the Series 2009 A Bonds and \$42,094 from the Authority and the DEP, being a portion of the principal amount of the Series 2009 B Bonds. The balance of the principal amount of the Series 2009 A Bonds and the Series 2009 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in The Charleston Gazette, a qualified newspaper of general circulation in the City of Nitro, no newspaper being published therein, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Series 2009 Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 3rd day of November, 2009, at 7:00 p.m., at the Nitro City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Final Decision entered on September 2, 2009 in Case No. 09-0855-S-SCN, 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 Final Order has expired prior to the date hereof. Such order remains in full force and effect.

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

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

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

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

20. 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.

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WITNESS our signatures and the official seal of the CITY OF NITRO on this the 12th day of November, 2009.

[CORPORATE SEAL]

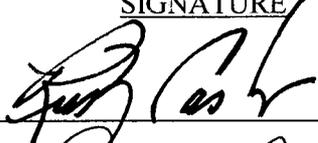
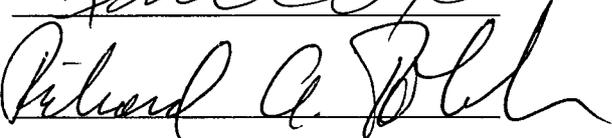
<u>SIGNATURE</u>	<u>OFFICIAL TITLE</u>
 _____	Mayor
 _____	Recorder
 _____	Counsel to Issuer

EXHIBIT A

SPECIAL CONDITIONS

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

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

C. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF NITRO

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

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the City of Nitro in Kanawha and Putnam Counties, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$1,910,778 Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), and \$1,125,000 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, dated November 12, 2009 (the "Bonds" or the "Series 2009 Bonds"), hereby certifies on the 12th day of November, 2009, as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on October 20, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on November 3, 2009 (the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on November 12, 2009, the date on which the Bonds are being physically delivered in exchange for an initial advance of \$94,000, being a portion of the principal amount of the Series 2009 A Bonds and \$56,250, being a portion of the principal amount of the Series 2009 B Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2009 A Bonds were sold on November 12, 2009, to the Authority, pursuant to an ARRA assistance agreement dated November 12, 2009, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), for an aggregate purchase price of \$1,910,778 (100% of par) (the "ARRA Assistance Agreement"), at which time, the Issuer received \$94,000 from the Authority and the DEP, being the first advance of the principal amount of the Series 2009 A Bonds. No accrued interest has been or will be paid on the Series 2009 A Bonds. The balance of the principal amount of the Series 2009 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2009 B Bonds were sold on November 12, 2009, to the Authority, pursuant to the ARRA Assistance Agreement, at which time, the Issuer received \$1,125,000 from the Authority and the DEP, being the first advance of the principal amount of the Series 2009 B Bonds. No accrued interest has been or will be paid on the Series 2009 B Bonds. The balance of the principal amount of the Series 2009 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

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

8. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2009 A Bonds Reserve Account or the Series 2009 B Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before March 1, 2011. The acquisition and construction of the Project is expected to be completed by December 1, 2010.

9. The total cost of the Project is estimated at \$3,006,958. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2009 A Bonds	\$1,910,778
Proceeds of the Series 2009 B Bonds	\$1,125,000
Total Sources	<u>\$3,035,778</u>

USES

Costs of Acquisition and Construction of the Project	\$2,685,250
Repayment of Design Loan	\$315,028
Costs of Issuance	<u>\$35,500</u>
Total Uses	<u>\$3,035,778</u>

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

- (1) Revenue Fund;
- (2) Series 2009 Bonds Construction Trust Fund;
- (3) Series 2009 A Bonds Sinking Fund;
- (4) Series 2009 A Bonds Reserve Account;

- (5) Series 2009 B Bonds Sinking Fund; and
- (6) Series 2009 B Bonds Reserve Account.

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

- (1) Proceeds of the Series 2009 A Bonds in the amount of \$-0- will be deposited with the Commission in the Series 2009 A Bonds Reserve Account.
- (2) Proceeds of the Series 2009 B Bonds in the amount of \$-0- will be deposited with the Commission in the Series 2009 B Bonds Reserve Account.
- (3) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2009 A Bonds.
- (4) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project and, until so expended, are hereby pledged as additional security for the Series 2009 B Bonds.

12. Monies held in the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2009 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2009 A Bonds Sinking Fund and Series 2009 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2009 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Monies held in the Series 2009 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2009 B Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2009 B Bonds Sinking Fund and Series 2009 B Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2009 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

14. 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 12 months of the date hereof.

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

16. With the exception of the amount deposited in the Series 2009 A Bonds Reserve Account, if any, or the Series 2009 B Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 18 months from the date of issuance thereof.

17. 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.

18. 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.

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

20. 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.

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

22. 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.

23. The Bonds are not federally guaranteed.

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

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

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

27. 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.

28. 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.

29. 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.

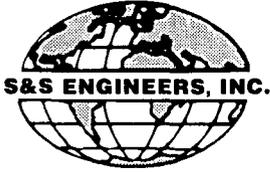
30. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

[Remainder of Page Intentionally Blank]

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

CITY OF NITRO

By: 
Its: Mayor



501 Eagle Mountain Road
Charleston, WV 25311
(304) 342-7168
(304) 342-7169 FAX
s-s-eng@wvdsi.net

• ENGINEERS
• DESIGNERS
• SURVEYORS

• ENVIRONMENTAL
• MUNICIPAL WASTE
• INDUSTRIAL WASTE
• STORMWATER/SCP
• NPDES PERMITS
• CIVIL DESIGN
• LAND PLANNING
• LAND SURVEYS
• DIGITAL MAPS
• HYDROLOGY
• ENVIRONMENTAL
SITE ASSESSMENT
• GPS/GIS
• CONSTRUCTION
MANAGEMENT

CITY OF NITRO

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

CERTIFICATE OF ENGINEER

I, Ashok M. Sanghavi, Registered Professional Engineer, West Virginia License No.6177, of S&S Engineers, Inc. Charleston, West Virginia, hereby certify this 12th day of November, 2009 as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the sewerage system (the "System") of the City of Nitro (the "Issuer"), to be constructed in Kanawha and Putnam Counties, West Virginia, which acquisition and construction are being permanently financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on October 20, 2009, as supplemented by the Supplemental Resolution of the Issuer adopted November 3, 2009 (collectively, the "Bond Legislation"), the ARRA Assistance Agreement for the Series 2009 Bonds by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), dated November 12, 2009, (the "ARRA Assistance Agreement").

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and the Authority and any change orders approved by the Issuer, the Authority, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 22 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and Ritchie Robb, 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 bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all 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) in reliance upon the certificate of the Issuer's certified public accountant, Ralph Laton, CPA, 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 ARRA Assistance Agreement; (x) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project; (xii) all contractors to be awarded contracts for the construction of the Project have submitted affidavits indicating such contractor has a drug free workplace plan pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended.

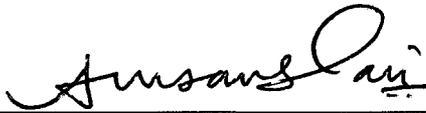
4. I have received the Buy American Certification from each contractor.
5. The Project will service no new customers.

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

S&S ENGINEERS, INC.

(SEAL)




Ashok M. Sanghavi, P.E.
West Virginia License No. 6177

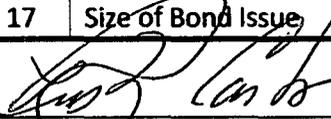
**WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION
SCHEDULE B**

CITY OF NITRO - WWTP, PS, & EMERGENCY CS IMPROVEMENTS

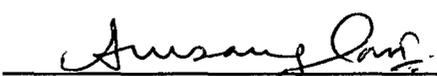
SRF No. C-544423; IJDC # 2007S-979

COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

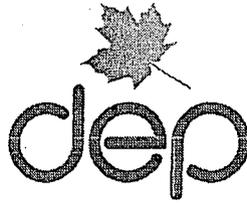
A. Cost of Project		Total	WV DEP - Stimulus (50%)	WVDEP SRF (20 yr, 0%, 1%)
1.	Construction	\$ 1,725,000	\$ 1,075,000	\$ 650,000
	Tank Cleaning/Painting	\$ 450,000	\$ -	\$ 450,000
	Equipment	\$ 160,000	\$ -	\$ 160,000
	WWTP Security System	\$ 50,000	\$ -	\$ 50,000
2.	Technical Services			
	a. Planning	\$ -	\$ -	\$ -
	b. Design	\$ -	\$ -	\$ -
	c. Construction (Basic & Insp)	\$ 150,000	\$ -	\$ 150,000
	d. Special Services	\$ 17,000	\$ -	\$ 17,000
3.	Legal & Fiscal	\$ 8,000	\$ 8,000	\$ -
4.	Sites and Other Lands	\$ -	\$ -	\$ -
5.	Miscellaneous			
	a. Administrative	\$ 5,000	\$ -	\$ 5,000
	b. Accountant	\$ 6,500	\$ 6,500	\$ -
	c. Permits	\$ 5,000	\$ -	\$ 5,000
6.	WDA Design loan	\$ 315,028	\$ -	\$ 315,028
7.	Contingency	\$ 108,750	\$ -	\$ 108,750
8.	Total of Lines 1 through 7	\$ 3,000,278	\$ 1,089,500	\$ 1,910,778
B. Cost of Financing				
9.	Capitalized Interest			
10.	Other Costs			
	a. Bond Counsel	\$ 35,000	\$ 35,000	\$ -
	b. Bank Registrar Fee	\$ 500	\$ 500	\$ -
	c. Funded Reserve			
11.	Total Cost of Financing	\$ 35,500	\$ 35,500	\$ -
12.	TOTAL PROJECT COST (line 8 plus line 11)	\$ 3,035,778	\$ 1,125,000	\$ 1,910,778
C. Sources of Funds				
13.	Federal Grants:	\$ -	\$ -	\$ -
14.	State Grants	\$ -	\$ -	\$ -
15.	Other	\$ -	\$ -	\$ -
16.	TOTAL GRANTS	\$ -	\$ -	\$ -
17.	Size of Bond Issue	\$ 3,035,778	\$ 1,125,000	\$ 1,910,778


Authorized Representative

11/3/09
Date


Consulting Engineer

11/3/2009
Date



west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street, S. E.
Charleston WV 25304
Telephone - 304 926-0495
Fax - 304 926 0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

MEMORANDUM

TO: Chris Jarrett, Executive Director
Water Development Authority
304/558-0299 [fax]

FROM: Rosalie M. Brodersen
Clean Water State Revolving Fund Program

DATE: October 30, 2009

SUBJECT: Bond Purchase Agreement for Nitro (ARRA)
C-544423 (IJDC #2007S-979)

PRECLOSING DATE: November 10, 2009

CLOSING DATE: November 12, 2009

Series	Series A (CWSRF Base Program)	Series B-1 (ARRA)
Loan Amount	\$1,910,778	\$1,125,000
Interest Rate	0%	NA (50% debt forgiveness)
Repayment Period	20 years	10 years
Administrative Fee	1%	NA
Project Completion Date	March 1, 2011	March 1, 2011
Repayment to Begin	June 1, 2011	June 1, 2011
Debt Service Schedule	September 1, 2011	NA

Special Conditions:

None

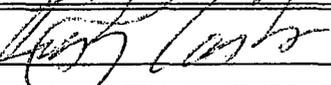
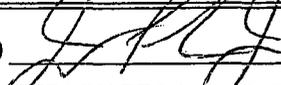
cc: Samme Gee, Jackson & Kelly (email)

DEP PAYMENT REQUISITION FORM

Rev 04/07/09

- | | |
|---|--|
| 1. LOAN RECIPIENT/VENDOR: | 2. SRF #: C-544 423 |
| NAME: <u>City of Nitro Reg Wastewater Utility</u> | 3. INVOICE NUMBER: <u>1</u> |
| ADDRESS: <u>P.O. Box 607</u> | 4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR) |
| <u>Nitro, WV 25143</u> | FROM: (MO/DAY/YR) <u>4/1/2009</u> TO: (MO/DAY/YR) <u>10/1/2009</u> |
| FEIN: <u>55-6009580</u> | 5. % of PHYSICAL CONSTRUCTION COMPLETION <u>0%</u> |
| DUNS: <u>785108192</u> | |

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY	
					SRF	ARRA
1) CONSTRUCTION	\$ 1,725,000					
Tank Clean/Paint	\$ 450,000					
2) EQUIPMENT	\$ 160,000					
Security System	\$ 50,000					
3) ENGINEERING						
a. Const Services	\$ 150,000					
b. Spec Services	\$ 17,000					
4) LEGAL	\$ 8,000		\$ 6,594	\$ 6,594		
5) ACCOUNTING	\$ 6,500					
6) ADMINISTRATIVE	\$ 5,000		\$ 664	\$ 664		
Permits	\$ 5,000		\$ 300	\$ 300		
7) CONTINGENCY	\$ 108,750					
8) BANK REFINANCING	\$ 315,028		\$ 315,028	\$ 315,028		
9) RESERVE FUND						
10) CLOSING COSTS	\$ 35,500		\$ 35,500	\$ 35,500		
11) SUBTOTAL	\$ 3,035,778	\$ -	\$ 358,086	\$ 358,086		
12) LESS PREVIOUSLY PAID				\$ -		
13) INVOICE AMOUNT				\$ 358,086		

14)  <u>11/3/09</u> AUTHORIZED SIGNATURE DATE Rusty Casto, Mayor TYPED OR PRINTED NAME AND TITLE	15)  <u>11/3/2009</u> PERSON PREPARING FORM SIGNATURE DATE Jessie O. Parker, Jr., P.E., Project Engineer TYPED OR PRINTED NAME AND TITLE
--	---

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WV DEPARTMENT OF ENVIRONMENTAL PROTECTION	
_____ PROJECT REVIEWER	_____ AUTHORIZED OFFICER
_____ DATE	_____ DATE

Ralph W. Laton
Certified Public Accountant

Post Office Box 340 - Hurricane, West Virginia 25526 - (304) 419-0462

November 12, 2009

City of Nitro
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

City of Nitro
Nitro, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance of the City of Nitro (the "Issuer"), dated March 15, 2005, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by S&S Engineers, Inc., the Consulting Engineer to the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) (collectively, the "Bonds"), and all other obligations secured by a lien on or payable from such revenues, including the Issuer's: Sewer Revenue Bonds, Series 1995 dated July 27, 1995, issued in the original aggregate principal amount of \$373,000 (the "Series 1995 Bonds") and held by the State of West Virginia Water Development Authority; (ii) Sewer Revenue Bonds, Series 1996, dated December 10, 1996 issued in the original aggregate principal amount of \$4,575,902 (the "Series A 1996 Bonds") and held by the State of West Virginia Water Development Authority; (iii) Sewer Revenue Bonds Series 2000 A, dated June 28, 2000 issued in the original aggregate principal amount of \$2,050,000 and held by the State of West Virginia Water Development Authority, and; (iv) Sewer System Revenue Bonds Series 2001 A dated June 5, 2001 issued in the original aggregate principal amount of \$543,900 and held by the State of West Virginia Water Development Authority (collectively, the "Prior Bonds").

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

less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Bonds and the Prior Bonds.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ralph Laton". The signature is written in a cursive style with a large initial "R".

Ralph Laton, CPA

CHARTER and ORDINANCES
of the
CITY of NITRO
WEST VIRGINIA

12/10/96 A True And
EXACT Copy
John D. Libby
Recorder

(STATE OF WEST VIRGINIA,

At a Circuit Court for Kanawha County held at the
Court House thereof on the 20th. day of February, 1932.)

IN THE MATTER OF THE INCORPORATION OF THE CITY OF NITRO, W.VA.

This day came P. Witry, W. W. Burnett, Dr. C. B. Marshall,
H. K. Miller, Everett Scholz, Dr. J. W. Skaggs, J. C.
Jordon, A. M. Harmon, Dr. A. W. Milhoan, J. L. Bess, J. C.
Pickens, J. E. Roark, J. E. Hulshizer, L. H. Kessel and
W. L. Wintz in person and by Payne, Minor and Bouchelle,
their attorneys, and tendered to the Court their petition
praying among other things that the Clerk of the Circuit
Court of Kanawha County, West Virginia, be directed by an
order entered of record to issue a certificate of incorpor-
ation to the City of Nitro, West Virginia, and the said
petition is hereby ordered filed, and after hearing the
argument of counsel thereon and it appearing to the Court
upon examination of said petition and exhibits filed there-
with that the said petitioners are residents of the terri-
tory hereinafter described and have been such for more than
sixty (60) days, and that the said territory is a part of
Union District of Kanawha County and Pocatalico District
of Putnam County, all in the State of West Virginia, and
no part of same is included in any incorporated municipality;

that said territory contains a resident population of not less than one hundred (100) persons, and includes within its boundaries a territory of not less than one quarter of one square mile, and an amount of territory not disproportionate to the number of residents thereof.

And it further appearing to the Court that the said petitioners have caused an accurate survey and map of the said territory intended to be embraced therein to be made by C. R. Conner, a practical surveyor, and that such survey and map shows the courses and distances of the boundaries thereof and the amount of territory contained therein, and the accuracy of said survey and map has been verified by the affidavit of said surveyor annexed thereto.

And it further appearing to the Court that the said petitioners have caused an accurate census to be taken of the resident population of said territory within sixty (60) days of the date hereof, and that said census exhibits the name of every head of each family residing within said territory on said date and the number of persons then belonging to each said family, and said census has been verified by the affidavit of Ray C. Alexander, the person who took the same, annexed thereto.

And it further appearing to the Court that after the said petitioners had had said survey, map and census completed and verified as aforesaid, they were left at the place of business of J. A. Goodwin at 3502 - 35th. Street, which is within said territory, and he, the said J. A. Goodwin, residing therein, and the said survey, map and census were there left as aforesaid subject to examination at all reason-

able hours, by all persons interested in the application, for the period of four (4) weeks from January 9, 1932, that being the date the notice of this application was first posted as provided by law.

And it further appearing to the Court that the said petitioners gave notice, as provided by law, that on this date they would apply by petition to the Circuit Court of Kanawha County for a certificate of the incorporation of said territory as a city by the name of Nitro, and said notice described the boundaries of said territory by courses and distances and specified the districts in which it lies, and said notice also stated where said survey, map and census had been left for examination as aforesaid, and said notice also specified a day on which all qualified voters residing within said territory will meet at a place named therein to vote upon the question of such incorporation.

And it further appearing to the Court that there is no newspaper printed within said territory and that the said petitioners therefore posted said notice and kept the same posted at Manufacturers Bank, Lyric Theatre Bldg; and L. H. Kessel Grocery Store, they being three of the most public places in said territory, for at least three (3) weeks before the time specified in said notice for the taking of said vote and making this application.

and it further appearing to the Court that on the 11th. day of February, 1932, that being the date fixed in said notice for the taking of the vote mentioned in the Fifth Section of Article 2, Chapter 8, of the Official Code of West Virginia, the qualified voters who had resided with-

in the said proposed bounds of said territory for sixty (60) days preceding said date last aforesaid, did meet at the place named in said notice and cast their votes for or against said incorporation, and each said voter did deposit a ballot in a ballot box there provided for that purpose, and each ballot had printed thereon the words " For Incorporation " " Against Incorporation ", and said election was held under the superintendence of Ray C. Alexander, S. Montague and H. P. Roberts, being three voters within said boundary appointed for that purpose by the voters present, and the result of said election has been certified under oath and returned by said three voters to the Circuit Court of Kanawha County.

And it further appearing to the Court, upon examination of said certificates and the original ballots thereto attached, that the result of said election is that a majority of the legal votes cast on the question are in favor of said incorporation:

It is therefore considered by the Court and accordingly Adjudged, Ordered and Decreed that the Clerk of the Circuit Court of Kanawha County, West Virginia, be, and he is hereby directed to issue a certificate of incorporation in the form or substance as follows:

A certificate under oath of Ray C. Alexander, S. Montague, and H. P. Roberts was this day filed showing that a majority of all of the qualified voters residing in the following boundary, to-wit:

BEGINNING at a stake corner to the old Townsend Farm, the Nitro Reservation and the east Right of Way line of the New York Central Railroad, thence N 74° 15' E 41.5 feet to a Stone Monument on the west side of the old County Road, with Cedar and Walnut pointers, co-ordinate location South 2 plus 16.94 East 50 plus 59.97 as shown and laid upon map captioned "Property Map of United States Government Explosives Plant C, Nitro, West Virginia", filed in the office of the Clerk of the County Court of Kanawha County, West Virginia, in Map Book No. 2, Page 124, on September 1, 1921, thence crossing the County Road and running up the hill S 87° 24' E 846 feet to a Stone Monument with Gum and Hickory Pointers near top of the River ridge at corner of a fence, co-ordinate N 0 plus 88.31 E 58 plus 48.97, thence along the brow of the River Ridge which leads down the river N 9° 28' E 825 feet to a Stone Monument in a low gap at top of River ridge, co-ordinate location N 8 plus 87.91 E 56 plus 45.37, thence N 23° 45' E for a distance of 2712.09 feet to a stake, co-ordinate location N 36 plus 00 E 56 plus 45.37, thence S 66° 15' E for a distance of 1954.63 feet to a stake, Co-ordinate location N 36 plus 00 E 76 plus 00, thence N 23° 45' E 1600.00 feet to a stake, Co-ordinate location N 52 plus 00 E 76 plus 00, thence N 66° 15' W 2400.00 feet to a stake, co-ordinate location N 52 plus 00 E 52 plus 00, thence N 23° 45' E 1700.00 feet more or less to the Kanawha-Putnam County line, thence with said County line, S 69° 09' W 2105.00 feet more or less, to a stake at the intersection of the said County line with the easterly right of way line of the New York Central Railroad, thence in a southerly direction along the said right of way line for a distance of 5945.00 more or less to the place of beginning, embracing an area of 298.50 acres more or less, lying in the County of Kanawha and District of Union; together with

All that territory situate in the County of Putnam, District of Pocatalico, and more particularly described as follows:

BEGINNING at the intersection of the easterly Right of Way line of the New York Central Railroad with the Kanawha-Putnam County line and running thence N 23° 45' E along said Right of Way line for a distance of 2980 feet more or less to a stake in said Right of Way line at co-ordinate line N 84 plus 00 as shown and laid down upon map captioned "Property Map of United States Government Explosives Plant C, Nitro, West Virginia" and filed in the office of the Clerk of the County Court of Putnam County, West Virginia, in Map Book No. 1, Page 10, on August 29, 1921; thence with the N 84 plus 00 Co-ordinate line, S 66° 16' E for a distance of 1512 feet more or less to a stake, Co-ordinate location N 84 plus 00 E 52.5

plus 00, thence S $23^{\circ} 45'$ W along said E 52 plus 00 Coordinate line for a distance of 1500 feet more or less to a stake in the Kanawha-Putnam County line, thence S $69^{\circ} 09'$ W with the said county line for a distance of 2105.00 feet to the place of beginning, embracing an area of 77.70 acres, more or less;

have voted in due form of law in favor of the incorporation of the City of Nitro, in the Counties of Kanawha and

✓ Putnam, bounded as herein set forth. And as it appears to the satisfaction of the Court that all of the provisions of Chapter 8 of the Code of West Virginia have been complied with by the applicants for said incorporation, said city is a body corporate duly authorized within the corporate limits aforesaid, or as otherwise provided, to exercise all the corporate powers conferred by the said chapter from and after the date of this certificate.

It is further considered and ordered that H. P. Roberts, R. C. Alexander, and S. F. Montague, three legal voters residing within said territory, be and they hereby are appointed as commissioners of election, to act at the first election to be held in said City of Nitro as in said Chapter 8 of the Code provided.

STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA, SS:

I, GEO. W. JENKINS, Clerk of the Circuit Court for said County and in said State, do hereby certify that the foregoing is a true copy from the records of said Court.

Given under my hand and the seal of said Court this 20th. day of February, 1932.

Geo. W. Jenkins, Clerk,
CIRCUIT COURT, KANAWHA COUNTY,

560 *seventy*
544.20 *see*

(STATE OF WEST VIRGINIA,

At a Circuit Court for Kanawha County held at the Court House thereof on the 20th. day of February, 1932.)

IN THE MATTER OF THE INCORPORATION OF THE CITY OF NITRO, W.VA.

A certificate under oath of Ray C. Alexander, S. Montague, and H. P. Roberts was this day filed showing that a majority of all of the qualified voters residing in the following boundary, to-wit:

BEGINNING at a stake corner to the old Townsend Farm, the Nitro Reservation and the east Right of Way line of the New York Central Railroad, thence N. 74° 15' E. 41.5 feet to a Stone Monument on the west side of the old County Road, with Cedar and Walnut pointers, co-ordinate location South 2 plus 16.94 East 50 plus 59.97 as shown and laid upon map captioned "Property Map of United States Government Explosives Plant C, Nitro, West Virginia", filed in the office of the Clerk of the County Court of Kanawha County, West Virginia, in Map Book No. 2, Page 124, on September 1, 1921, thence crossing the County Road and running up the hill S 87° 24' E 846 feet to a Stone Monument with Gum and Hickory Pointers near top of the River ridge at corner of a fence, co-ordinate N 0 plus 88.31 E 58 plus 48.97, thence along the brow of the River ridge which leads down the river N 9° 28' E 825 feet to a Stone Monument in a low gap at top of River ridge, Co-ordinate location N 8 plus 87.91 E 56 plus 45.37, thence N 23° 45' E for a distance of 2712.09 feet to a stake, Co-ordinate location N 36 plus 00 E 56 plus 45.37, thence S 66° 15' E for a distance of

1954.63 feet to a stake, Co-ordinate location N 36 plus 00 E 76 plus 00, thence N 23° 45' E 1600.00 feet to a stake, Co-ordinate location N 52 plus 00 E 76 plus 00, thence N 66° 15' W 2400.00 feet to a stake, co-ordinate location N 52 plus 00 E 52 plus 00, thence N 23° 45' E 1700.00 feet more or less to the Kanawha-Putnam County Line, thence with said County line, S 69° 09' W 2105.00 feet more or less, to a stake at the intersection of the said County line with the easterly right of way line of the New York Central Railroad, thence in a Southerly direction along the said right of way line for a distance of 5945.00 more or less to the place of beginning, embracing an area of 298.50 acres more or less, lying in the County of Kanawha and District of Union; together with

All that territory situate in the County of Putnam, District of Pocatalico, and more particularly described as follows:

BEGINNING at the intersection of the easterly Right of Way line of the New York Central Railroad with the Kanawha-Putnam County line and running thence N 23° 45' E along said Right of Way line for a distance of 2980 feet more or less to a stake in said right of way line at co-ordinate line N 84 plus 00 as shown and laid down upon map captioned "Property Map of United States Government Explosives Plant C, Nitro, West Virginia", and filed in the office of the Clerk of the County Court of Putnam County, West Virginia, in Map Book No. 1, Page 10, on August 29, 1921; thence with the N 84 plus 00 Co-ordinate line, S 66° 16' E for a distance of 1512 feet more or less to a stake, Co-ordinate location N 84 plus 00 E 52 plus 00, thence S 23° 45' W along said E 52 plus 00

a stake in the Kanawha-Putnam County line, thence S 69° 09' W with the said county line for a distance of 2105.00 feet to the place of beginning, embracing an area of 77.70 acres, more or less; have voted in due form of law in favor of the incorporation of the City of Nitro, in the Counties of Kanawha and Putnam, bounded as herein set forth. And as it appears to the satisfaction of the Court that all of the provisions of Chapter 8 of the Code of West Virginia have been complied with by the applicants for said incorporation, said city is a body corporate duly authorized within the corporate limits aforesaid, or as otherwise provided, to exercise all the corporate powers conferred by the said chapter from and after the date of this Certificate.

STATE OF WEST VIRGINIA,
 COUNTY OF KANAWHA, SS:

I, GEO. W. JENKINS, Clerk of the Circuit Court for said County in said State, do hereby certify that the foregoing is a true copy in part of a decree entered by the Circuit Court of Kanawha County on the 20th. day of February, 1932, recorded in Chancery Order Book 64, Page ____, and is hereby certified by the undersigned as a compliance with said decree requiring the Clerk of said Court to issue a certificate of incorporation for the City of Nitro, West Virginia.

Given under my hand the seal of said Court this the 20th. day of February, 1932.

GEO. W. JENKINS, CLERK,
 CIRCUIT COURT, KANAWHA COUNTY,
 WEST VIRGINIA.

ELECTION OF THE FIRST COUNCIL
 OF THE
 CITY OF NITRO
 WEST VIRGINIA

The City of Nitro, on the 29th. day of March 1932,
 held its first election of city officers, and the
 following named persons were declared duly elected:

E. E. HIGGINBOTHAM, MAYOR; T. A. LEWIS, RECORDER;

MEMBERS OF COUNCIL

J. F. SANTROCK, C. R. DAWSON, L. H. KESSEL,
 H. K. MILLER and Mrs. C. L. CRADDOCK.





JULY 1, 2008

I, CRAIG MATTHEWS, HAVING BEEN ELECTED WARD 3 COUNCILMAN BY A VOTE OF THE PEOPLE ON THE 3RD DAY OF JUNE, 2008 DO HEREBY SWEAR THAT I WILL DISCHARGE MY SAID DUTIES AS COUNCILMAN OF THE CITY OF NITRO TO THE BEST OF MY SKILL AND JUDGMENT.

SO HELP ME GOD.

CRAIG MATTHEWS

A handwritten signature in black ink, appearing to read "Craig Matthews".

WITNESS

A handwritten signature in black ink, appearing to read "Rusty Casto".



JULY 1, 2008

I, BILL JAVINS, HAVING BEEN ELECTED WARD 4 COUNCILMAN BY A VOTE OF THE PEOPLE ON THE 3RD DAY OF JUNE, 2008 DO HEREBY SWEAR THAT I WILL DISCHARGE MY SAID DUTIES AS COUNCILMAN OF THE CITY OF NITRO TO THE BEST OF MY SKILL AND JUDGMENT.

SO HELP ME GOD.

BILL JAVINS

WITNESS



JULY 1, 2008

I, A. A. "JOE" SAVILLA, HAVING BEEN ELECTED WARD 1 COUNCILMAN BY A VOTE OF THE PEOPLE ON THE 3RD DAY OF JUNE, 2008 DO HEREBY SWEAR THAT I WILL DISCHARGE MY SAID DUTIES AS COUNCILMAN OF THE CITY OF NITRO TO THE BEST OF MY SKILL AND JUDGMENT.

SO HELP ME GOD.

A. A. "JOE" SAVILLA

A. A. "Joe" Savilla

WITNESS

[Handwritten signature of witness]



JUNE 30, 2008

I, RUSTY CASTO, HAVING BEEN ELECTED MAYOR BY A VOTE OF THE PEOPLE ON THE 3RD DAY OF JUNE, 2008 DO HEREBY SWEAR THAT I WILL DISCHARGE MY SAID DUTIES AS MAYOR OF THE CITY OF NITRO TO THE BEST OF MY SKILL AND JUDGMENT.

SO HELP ME GOD.

RUSTY CASTO

WITNESS



JULY 1, 2008

I, ROBERT FIELDS , HAVING BEEN ELECTED COUNCILMAN-AT-LARGE BY A VOTE OF THE PEOPLE ON THE 3RD DAY OF JUNE, 2008 DO HEREBY SWEAR THAT I WILL DISCHARGE MY SAID DUTIES AS COUNCILMAN OF THE CITY OF NITRO TO THE BEST OF MY SKILL AND JUDGMENT.

SO HELP ME GOD.

ROBERT FIELDS

WITNESS



JULY 1, 2008

I, BILL RACER, HAVING BEEN ELECTED WARD 2 COUNCILMAN BY A VOTE OF THE PEOPLE ON THE 3RD DAY OF JUNE, 2008 DO HEREBY SWEAR THAT I WILL DISCHARGE MY SAID DUTIES AS COUNCILMAN OF THE CITY OF NITRO TO THE BEST OF MY SKILL AND JUDGMENT.

SO HELP ME GOD.

BILL RACER

WITNESS



JULY 1, 2008

I, JIM MCKAY, HAVING BEEN ELECTED COUNCILMAN-AT-LARGE BY A VOTE OF THE PEOPLE ON THE 3RD DAY OF JUNE, 2008 DO HEREBY SWEAR THAT I WILL DISCHARGE MY SAID DUTIES AS COUNCILMAN OF THE CITY OF NITRO TO THE BEST OF MY SKILL AND JUDGMENT.

SO HELP ME GOD.

JIM MCKAY

WITNESS



JULY 1, 2008

I, DAVID CASEBOLT, HAVING BEEN ELECTED COUNCILMAN-AT-LARGE BY A VOTE OF THE PEOPLE ON THE 3RD DAY OF JUNE, 2008 DO HEREBY SWEAR THAT I WILL DISCHARGE MY SAID DUTIES AS COUNCILMAN OF THE CITY OF NITRO TO THE BEST OF MY SKILL AND JUDGMENT.

SO HELP ME GOD.

DAVID CASEBOLT

WITNESS

CITY OF NITRO, a municipal corporation
OF
NITRO, WEST VIRGINIA
RATES, RULES AND REGULATIONS FOR FURNISHING
SEWERAGE AND SEWAGE DISPOSAL SERVICE
at Nitro and vicinity, Kanawha and Putnam Counties

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

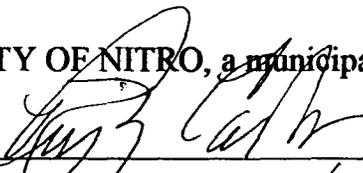
RECEIVED
05 MAY -6 PM 2:37
WEST VIRGINIA PUBLIC SERVICE
COMMISSION
REGISTRATION OFFICE

Issued May 2, 2005

Effective for service rendered on and after May 2, 2005
or as otherwise provided herein

Adopted by City Council

Issued by CITY OF NITRO, a municipal corporation

By 
Mayor Chairman
Title

RULES AND REGULATIONS

- I. Rules and Regulations for the Government of Sewerage Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

APPLICABILITY

Applicable inside and outside the corporate limits of the City of Nitro

AVAILABILITY OF SERVICE

Available for sanitary sewer service

(I) RATES Effective from May 2, 2005 through May 1, 2006

- First 2,000 gallons used per month 7.96 per 1,000 gallons
- Next 3,000 gallons used per month 6.68 per 1,000 gallons
- Next 25,000 gallons used per month 5.19 per 1,000 gallons
- All Over 30,000 gallons used per month 4.67 per 1,000 gallons

29.28/1000

(I) RATES Effective from May 2, 2006

- First 2,000 gallons used per month 9.25 per 1,000 gallons
- Next 3,000 gallons used per month 7.76 per 1,000 gallons
- Next 25,000 gallons used per month 6.03 per 1,000 gallons
- All Over 30,000 gallons used per month 5.42 per 1,000 gallons

31.02/1000

(I) MINIMUM RATE Effective from May 2, 2005 through May 1, 2006

\$15.92 based upon 2,000 gallons

(I) MINIMUM RATE Effective from May 2, 2006

\$18.50 based upon 2,000 gallons

(I) RESIDENTIAL FLAT RATE Effective from May 2, 2005 through May 1, 2006

Each un-metered residential customer shall be charged a flat rate of \$30.49 per month.

(I) RESIDENTIAL FLAT RATE Effective from May 2, 2006

Each un-metered residential customer shall be charged a flat rate of \$35.42 per month.

(I) **Indicates increase**

SERVICE CONNECTION INSPECTION FEE

\$25.00

SERVICE CONNECTION (TAP) FEE

\$400.00

DELAYED PAYMENT PENALTY

The above schedule is net. Any bill not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount thereof. This delayed payment penalty is not interest and is only to be collected once for each bill where appropriate.

DISCONNECT FEE

\$20.00

The above disconnect fee is applicable when the Sanitary Board requests that a customer's water service be disconnected for non-payment of the sewer bill, whether or not such service is actually disconnected.

RECONNECT FEE

\$20.00

The above reconnect fee is applicable when a customer's water service is disconnected for non-payment of the sewer bill, and such service is thereafter reconnected.

INTEREST

In the event any bill is not paid within 30 days, interest on the amount of such bill will be charged at the rate of ten per cent (10%) per annum.

RETURN CHECK CHARGE

In the event any check, draft or order given in payment for a sanitary sewer bill is dishonored because of insufficient funds, a service charge of \$15.00 shall be imposed.

SURCHARGE FOR ROOF DRAINS AND STORM SEWERS CONNECTED TO THE CITY OF
NITRO SANITARY SEWER SYSTEM

The charge for roof drains, downspouts, storm sewers or similar facilities connected to the sanitary sewer system of the City of Nitro will be calculated on the basis of the following formula and will not be cumulative upon any metered rate for sewer service charges:

$$S = A \times R \times .6233 \times C$$

- S - The Surcharge in Dollars
- A - The Average Area Under Roof or the Area of Such Other Water Collecting Surface Connected to the Sanitary Sewer System in Square Feet.
- R - The Measured Monthly Rainfall in Inches: .6233 is the conversion factor to complete thousand gallons
- C - The Applicable Rate Per Thousand Gallons of Metered Water Usage

The above rates and charges shall be applicable for any owner, tenant, or occupant of each and every lot or parcel of land or building situated within or outside the corporate limits of the City of Nitro and having any connection to the sanitary sewer system of the City.

Any industrial customer served pursuant to a specific sewer service agreement, shall be charged as provided in such agreement.

POCA RIVER SERVICE AREA

From and after the date on which wastewater collection service is available to the residents of the Poca River service area, the rates and charges for the use of and services rendered to such customers by the sanitary sewer system of the City of Nitro shall be equal to the regularly enacted rates and charges for all other users of the system, plus a surcharge in the amount of \$13.69 per month

TAP FEE

In the event any person owning developed property within the Poca River Service Area pays a connection or "tap" fee for the property prior to a building contractor bypassing the property, such tap fee will be \$200.00. Thereafter, the tap fee shall be the same as for all other users of the system.

The above surcharge shall be applicable for any owner, tenant, or occupant of each and every lot or parcel of land or building situated within Poca River Service Area and having any connection to the sanitary sewer system of the City



CHARLESTON NEWSPAPERS

P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS

LEGAL ADVERTISING INVOICE

Table with 2 columns: Field Name, Value. Fields include INVOICE DATE (03/02/05), ACCOUNT NBR (037693003), SALES REP ID (0016), INVOICE NBR (203350001).

BILLED TO VAUGHAN LAW FIRM
2020 KANAWHA BLVD E
CHARLESTON WV 25311 USA

Please return this portion with your payment.
Make checks payable to: Charleston Newspapers

AMOUNT PAID: _____



CHARLESTON NEWSPAPERS

P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS
FEIN 55-0676079

Table with 2 columns: Field Name, Value. Fields include INVOICE DATE (03/02/05), ACCOUNT NBR (037693003), SALES REP ID (0016), INVOICE NBR (203350001).

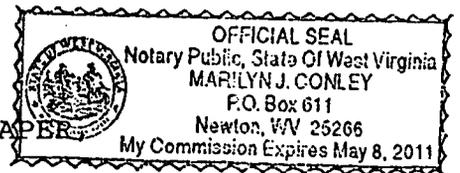
Legal pricing is based upon 63 words per column inch.
Each successive insertion is discounted by 25% of the first insertion rate.

The Daily Mail is at a rate of \$.13 per word, and the Charleston Gazette is at a rate of \$.13 per word.

Main invoice table with columns: ISSUE DATE, AD TYPE, PUB, DESCRIPTION, AD NUMBER, AD SIZE, RATE, GROSS AMOUNT, NET AMOUNT. Includes a row for LEGAL DISCOUNT 25% and a TOTAL INVOICE AMOUNT row.

State of West Virginia, AFFIDAVIT OF PUBLICATION

I, Samara Segs of



THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPER,
THE DAILY MAIL, A DAILY REPUBLICAN NEWSPAPER,
published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:

Notice of public hearing
was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the 23RD day of FEBRUARY 2005. Published during the following dates: 02/22/05-03/01/05

Subscribed and sworn to before me this 3 day of March
Printers fee \$ 867.12

Marilyn J. Conley (Signature)



CHARLESTON NEWSPAPERS

P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS

LEGAL ADVERTISING INVOICE

Table with 2 columns: Field Name, Value. Fields include INVOICE DATE (03/02/05), ACCOUNT NBR (037693003), SALES REP ID (0016), INVOICE NBR (203350001).

BILLED TO

VAUGHAN LAW FIRM
2020 KANAWHA BLVD E
CHARLESTON WV 25311 USA

Please return this portion with your payment.
Make checks payable to: Charleston Newspapers

AMOUNT PAID: _____



CHARLESTON NEWSPAPERS

P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS
FEIN 55-0676079

Table with 2 columns: Field Name, Value. Fields include INVOICE DATE (03/02/05), ACCOUNT NBR (037693003), SALES REP ID (0016), INVOICE NBR (203350001).

Legal pricing is based upon 63 words per column inch.

Each successive insertion is discounted by 25% of the first insertion rate.

The Daily Mail is at a rate of \$.13 per word, and the Charleston Gazette is at a rate of \$.13 per word.

Main advertising table with columns: ISSUE DATE, AD TYPE, PUB, DESCRIPTION, AD NUMBER, AD SIZE, RATE, GROSS AMOUNT, NET AMOUNT. Includes rows for public hearing notices on 02/22, 03/01, and 03/01.

State of West Virginia, AFFIDAVIT OF PUBLICATION

I, _____ of _____

published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:

was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the _____ day of _____, Published during the following dates:

Subscribed and sworn to before me this _____ day of _____.

Printers fee \$ _____

Notary Public of Kanawha County, West Virginia

Return Check Charge: In the event any check, draft or order given in payment for a sanitary sewer bill is dishonored because of insufficient funds, a service charge of \$25.00 shall be imposed.

Surcharge for Roof Drains and Storm Sewers: Connected to the City of Nitro Sanitary Sewer System, the charge for roof drains, downspouts, storm sewers or similar facilities connected to the sanitary sewer system of the City of Nitro will be calculated on the basis of the following formula and will not be cumulative upon any metered rate for sewer service charges:

A. $R \times .0233 \times C$
 The Surcharge in Dollars
 A. The Average Area Under Roof on the Area of Such Other Water Collecting Surface Connected to the Sanitary Sewer System in Square Feet
 B. The Measured Monthly Rainfall in Inches. .0233 is the conversion factor to complete thousand gallons.
 C. The Applicable Rate Per thousand Gallons of Metered Water Usage.

The above rates or charges shall be applicable for any owner, tenant or occupant of each and every lot or parcel of land or building situated within or outside the corporate limits for the City of Nitro and having any connection to the sanitary sewer system of the City of Nitro.

Any industry or commercial specific sewer service agreement shall be provided to the City of Nitro.

POCA RIVER SERVICE AREA: On and after June 1, 2005, being the date on which sanitary sewerage service was available to the residents of the Pocahontas Service Area, the rates and charges for the use of and service rendered to such customers by the sanitary sewer system of the Nitro Regional Waste Water Utility shall be equal to the rates and charges for all other users of the system plus a surcharge in the amount of \$13.69 per month.

The above surcharge shall be applicable for any owner, tenant and occupant of each and every lot or parcel of land or building situated within the Pocahontas Service Area and having any connection to the sanitary sewer system of the Nitro Regional Waste Water Utility.

JOHNSTON
 BEBBIE BALLEW
 DO YOU THINK
 THE EYE BE
 JOHNSTON

LEGAL ADVERTISEMENT

NOTICE OF PUBLIC HEARING

Please take notice that the City Council of the City of Nitro, West Virginia, is considering and passing on second reading an Ordinance, which reads as follows:

ORDINANCE AMENDING AND REENACTING AN ORDINANCE ESTABLISHING RATES AND CHARGES FOR SERVICES RENDERED BY THE NITRO REGIONAL

LEGAL ADVERTISEMENT

WASTEWATER UTILITY

WHEREAS, the City of Nitro, West Virginia, owns and operates a certain wastewater collection and treatment system in and around the City of Nitro, Kanawha and Putnam Counties, West Virginia;

WHEREAS, the City Council of the City of Nitro (herein the "Governing Body") enacted an Ordinance on March 15, 2005, which amended certain rates and charges for the use of the City's sanitary sewer system; and

WHEREAS, the Sanitary

LEGAL ADVERTISEMENT

Board of the Nitro Regional Waste Water Utility of the City of Nitro has determined that an increase in the existing rates is necessary and a second step increase of sixteen point one six per cent (16.16%) over the step one increase effective one year after the implementation of the step one increase is also necessary and is also

WHEREAS, the Sanitary Board of the City of Nitro has requested the Council of the City of Nitro to amend and reenact such Ordinance by Ordinance on March 15, 2005 with a tariff containing incurred rates, tolls and charges

Board of the Nitro Regional Waste Water Utility of the City of Nitro has determined that an increase in the existing rates is necessary and a second step increase of sixteen point one six per cent (16.16%) over the step one increase effective one year after the implementation of the step one increase is also necessary and is also

WHEREAS, the Sanitary Board of the City of Nitro has requested the Council of the City of Nitro to amend and reenact such Ordinance by Ordinance on March 15, 2005 with a tariff containing incurred rates, tolls and charges

Classic Peanuts

Indean

!cs&Puzzles

**LEGAL
ADVERTISEMENT**

for furnishing sanitary sewer service to 4,006 customers and Nitro and its environs in the Counties of Kanawha and Putnam in order to provide for such thirteen per cent (13%) increase and to further provide for such sixteen point one six percent (16.16%) increase over the step one increase, such second increase to be effective one year from the date of implementation of the listed one increase.

NOW THEREFORE BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF NITRO, WEST VIRGINIA:

1. From and after the effective date of this Ordinance, the rates and charges for the use of and services rendered by the sanitary sewer system of the City of Nitro shall be as follows:

- First - 2,000 gallons used per month \$7.96 per 1,000 gallons
- Next - 3,000 gallons used per month \$6.68 per 1,000 gallons
- Next - 25,000 gallons used per month \$5.19 per 1,000 gallons
- All Over - 30,000 gallons used per month \$4.67 per 1,000 gallons
- Minimum Rate \$15.92 based upon 2000 gallons
- Average Bill 4,000 gallons \$29.28

Residential Flat Rate: Each un-metered residential customer shall be charged a flat rate of \$30.28 per month.

2. From and after one calendar year from the effective date of this Ordinance, the rates and charges for the use of and services rendered by the Nitro Regional Waste Water Utility shall be as follows:

- First - 2,000 gallons used per month \$9.25 per 1,000 gallons
- Next - 3,000 gallons used per month \$7.76 per 1,000 gallons
- Next - 25,000 gallons used per month \$6.03 per 1,000 gallons
- All Over - 30,000 gallons used per month \$5.42 per 1,000 gallons
- Minimum Bill \$18.50 based upon 2000 gallons
- Average Bill 4,000 gallons \$34.02

Residential Flat Rate: Each un-metered residential customer shall be charged a flat rate of \$35.42 per month.

3. In addition to the foregoing volume based rates, all customers of the Nitro Regional Waste Water Utility will also be subject to the fees and charges provided below from and after the effective date of the Ordinance:

- Service Connection Inspection Fee: \$25.00
- Service Connection (Tap) Fee: \$400.00
- Delayed Payment Penalty: The above schedule is net. Any bill not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount thereof. This delayed payment penalty is not interest and is only to be collected once for each bill where appropriate.

Disconnect Fee: \$20.00
Reconnect Fee: \$20.00

The above disconnect fee is applicable when the Nitro Regional Waste Water Utility requests that a customer's water service be disconnected for non-payment of the sewer bill, whether or not such service is actually disconnected.

The above reconnect fee is applicable when a customer's water service is disconnected for non-payment of the sewer bill, and such service is thereafter reconnected.

Interest: In the event any bill is not paid within

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ing on March 15, 2005.

Please take further notice that the City Council will hold a public hearing on the above Ordinance and on whether or not such rates and charges shall be established on Tuesday, March 15, 2005, at 7:00 p.m. in the City Council Chambers, 1st Floor, Nitro City Hall, 2nd Avenue and 22nd Street, Nitro, West Virginia.

At such hearing all users of the sewer system and owners of property served thereby and other interested parties shall have an opportunity to be heard concerning the proposed rates and charges.

The City Council intends to vote on the final enactment of the Ordinance at the Council meeting immediately following the public hearing.

A copy of the Ordinance is on file at the office of the Nitro Regional Waste Water Utility and also at the office of the City Recorder of the City of Nitro and is available for inspection and copying during regular office hours.

Record: McClanahan
City of Nitro
Phone: (5531)

CHAPTER THREE – Legislative

Art. 123. Council.

Art. 125. Ordinances and Resolutions.

**ARTICLE 123
Council**

123.01	Municipal officials constitute Council.	123.07	Meetings to be public except when in executive session.
123.02	Qualifications; election; term; vacancies.	123.08	Procedure when meeting lacks quorum.
123.03	Meetings generally; quorum.	123.09	Sergeant at arms.
123.04	Annual tax estimate and levy.	123.10	City Recorder to attend meetings; Council journal.
123.05	Organization.	123.11	Order of business at meetings.
123.06	Meeting at a place other than Council Chamber.	123.12	Rules.
		123.13	Disorderly conduct prohibited at meetings.

CROSS REFERENCES

Open meeting law – see W.Va. Code Art. 6-9A

Composition – see W.Va. Code 8-5-7

Oath – see W.Va. Code 8-5-8

Term – see W.Va. Code 8-5-9

Vacancies – see W.Va. Code 8-5-10

Proceedings – see W.Va. Code Art. 8-9

General powers – see W.Va. Code Art. 8-12

Adoption of rules – see W.Va. Code 8-12-5(45)

Extraterritorial exercise of powers – see W.Va. Code 8-12-19

123.01 MUNICIPAL OFFICIALS CONSTITUTE COUNCIL.

The municipal officials of the City shall be a Mayor, a Recorder and seven Councilmen, who together shall form Council.

(1975 Code 4)

123.02 QUALIFICATIONS; ELECTION; TERM; VACANCIES.

Three Councilmen shall be elected from the City at large beginning with the year 1960 for terms of four years each, or until their respective successors have been elected and qualified. One Councilman shall be elected from each of the wards of the City beginning with the year 1960, for terms of four years each, or until their respective successors have been elected and qualified. The Councilmen elected from each ward shall, in addition to the qualifications prescribed by West Virginia Code 8-5-7, be a resident and legal voter of the ward from which he is elected, and must be resident and legal voter at the time he files for election. The Councilmen must continue to be residents of the City, and in the case of ward Councilmen, residents of the ward from which elected, during their term of office. Removal of any Councilman from the City, and in the case of ward Councilman from the ward from which elected, shall immediately vacate such office. Any such vacancies shall be filled in the manner prescribed by West Virginia Code 8-5-10.

(1975 Code 5)

123.03 MEETINGS GENERALLY; QUORUM.

(a) Regular meetings of Council shall be held in Council Chambers on the first and third Tuesday of each month, beginning at 7:30 p.m., provided that when any such day falls upon a holiday Council may fix another day for such meeting.

(Ord. 82-4. Passed 7-13-82.)

(b) Special meetings of Council may be called by the Mayor or any three members thereof. Whenever a special meeting of Council is called it shall be done by a warrant directed to the Chief of Police, signed by the Mayor or three members of Council and stating distinctly and by separate items the matters of business for which the meeting is called. The Chief of Police shall give notice to every member then in the City, and shall return the warrant to the City Recorder who shall enter it in the journal. At any such special meeting only those matters of business stated in the warrant shall be considered or acted upon, except by unanimous consent of all members present.

(c) A majority of Council shall be necessary for a quorum for the transaction of business at any meeting, regular, adjourned or special, or whether a special meeting be called by the Mayor or members of Council or prescribed by State law, this Code or other ordinances.

(1975 Code 2-16)

123.04 ANNUAL TAX ESTIMATE AND LEVY.

Prior to the first day of March in each year Council shall fix a date and hour between the seventh and twenty-eighth days of March, and at the time so fixed Council shall meet in public session in the Council chamber at the City Building and then and there proceed with the transaction of the business which is the subject of West Virginia Code 11-8-14. Upon completion of that business, the session shall stand adjourned until the same meeting hour on the next following third Tuesday in April, at which time it shall reconvene and Council shall proceed in conformity with the provisions of West Virginia Code 11-8-14a.

(1975 Code 2-17)

123.05 ORGANIZATION.

(a) At 10:00 a.m. on the first day of July of each leap year, the Mayor-Elect, Councilmen-Elect and City Recorder-Elect shall meet in special public session in the Council Chamber and shall be called to order by the incumbent Mayor or, in his absence, by the incumbent City Recorder, or, in the absence of both the incumbent Mayor and the incumbent City Recorder, by the eldest Councilman or Councilman-Elect, where upon those officers-elect who have not as yet taken the prescribed oath of office shall do so before an officer who is authorized by law to administer oaths, at which time they shall be deemed to have qualified for the office to which they, respectively, have been elected; provided, that no officer who is required to give bond shall be deemed to have qualified until such bond has been given, except for the specific purpose of participating and voting in this particular meeting and any adjourned session thereof.

(b) Council shall then proceed to adopt, readopt or amend rules governing the official conduct of its members and the transaction of its business, and the failure to do so shall have the effect of continuing in force the rules of the presiding Council. Council shall then proceed to consider and act upon other matters of an organizational nature such as filling vacancies in appointive offices which are within the appointive authority of Council or of the Mayor and Council; but no such office shall be deemed vacant when it is in fact held by an incumbent, unless the office be declared vacant by a majority vote of Council.

(1975 Code 2-18)

(c) Every person elected or appointed to any office in this City, before proceeding to exercise the authority or discharge the duties of such office, shall take the oath or affirmation prescribed in Section 5 of Article IV of the Constitution of this State.

(Ord. 84-6. Passed 6-5-84.)

123.06 MEETING AT A PLACE OTHER THAN COUNCIL CHAMBER.

Whenever the Council Chamber in the City Building is for any reason not available or will not be available for a meeting of Council, or whenever the Council Chamber is deemed by Council to be unsuitable for any particular meeting, whether by lack of sufficient space for the anticipated number of spectators, lack of heat or other reason, then, in such instance, Council may designate another place within the City and open to the public for the holding of such meeting.

(1975 Code 2-19)

123.07 MEETINGS TO BE PUBLIC EXCEPT WHEN IN EXECUTIVE SESSION.

All meetings of Council shall be open to orderly members of the public; provided, that Council when sitting as a committee of the whole may go into executive session and exclude all persons from attending such executive session except those whose presence is deemed necessary by such committee of the whole; and provided further, that the committee of the whole shall not reconstitute itself as Council until the executive session is terminated and the meeting is again open to orderly members of the public.

(1975 Code 2-20)

123.08 PROCEDURE WHEN MEETING LACKS QUORUM.

Any two or more members of Council who have assembled at a time appointed for a meeting thereof, and a quorum is not present, may recess temporarily or may adjourn to a subsequent time, and may cause the sergeant at arms to compel the attendance of the absent members or give notice to the absent members of the time to which adjournment has been made, requiring their attendance at such adjourned meeting.

(1975 Code 2-21)

123.09 SERGEANT AT ARMS.

It shall be the duty of the Chief of Police to attend all meetings of Council, or cause a competent policeman to do so, to serve as sergeant at arms and maintain order in the Council chamber and in the immediate vicinity thereof; and to execute all lawful orders and process directed to him by Council or by its presiding officer.

(1975 Code 2-22)

123.10 CITY RECORDER TO ATTEND MEETINGS; COUNCIL JOURNAL.

The City Recorder shall attend all meetings of Council and shall keep, in a well bound book, which may be known as the journal, an accurate record of all its proceedings, which shall be fully indexed and open to the inspection of all interested persons. Upon request of any member of Council the ayes and noes on any question shall be taken and entered upon the journal.

(1975 Code 2-23)

123.11 ORDER OF BUSINESS AT MEETINGS.

At each meeting of Council the roll shall be called and members shall be recorded in the journal as present or absent. Then the proceedings of the last meeting shall be read and corrected, if erroneous, and signed by the City Recorder and the presiding officer for the time being; provided, that the reading of the journal of the proceedings of the last meeting may be dispensed with by majority vote of Council if the members thereof have received and examined a copy of the journal or a synopsis thereof prior to the meeting at which the journal is signed. The subsequent proceedings at any regular meeting shall then be as specified in the agenda, prepared in advance by the Mayor or by the City Recorder at the direction of the Mayor, except as may be provided otherwise under the rules of Council.

(1975 Code 2-24)

123.12 RULES.

Council may by resolution adopt such rules as may be deemed desirable for the conduct of its meetings, the transaction of its business and the official conduct of its members, and may include therein reasonable penalties for the violation thereof; but no such rule shall be inconsistent with the State law or this Code. Such rules may include, among other subjects, the following:

- (a) Appointment, jurisdiction and duties of standing and special committees of Council.
- (b) Attendance at meetings of Council by members and by others.

- (c) Investigations and hearings, and compulsory attendance thereof of witnesses and the production of books and papers.
- (d) Parliamentary procedure.
- (e) Preservation of order at meetings.
- (f) Manner and form of petitions, applications and other papers intended for presentation to Council, and procedures relating thereto.
- (g) The order of business at regular meetings.
(1975 Code 2-29)

123.13 DISORDERLY CONDUCT PROHIBITED AT MEETINGS.

(a) No person shall behave in a boisterous or disorderly manner at any meeting of Council or any committee thereof, or shall cause any disturbance thereof, whether by force, shouting or other action tending to disrupt such meeting, or shall fail or refuse to obey any ruling or order of the officer presiding at such meeting relative to the orderly procedure thereof.

(b) Boisterous or disorderly behavior within the purview of subsection (a) hereof shall include, but is not limited to, any of the following acts:

- (1) Contemptuous or insolent behavior towards the presiding officer or any member of Council or committee Council, or its clerk, sergeant at arms or any other officers, while Council or the committee is in session;
- (2) Any breach of the peace, willful disturbance or indecent conduct in the presence of such Council or committee while so engaged, or so near as to obstruct or interrupt its proceedings;
- (3) Violence or threats of violence to any member of such Council or committee or any officer, witness or party going to, attending or returning from, any Council or committee proceeding in respect to anything done or to be done in the course of such proceeding;
- (4) Willful resistance to any lawful order of the presiding officer or sergeant at arms at any such meeting.

(c) The presiding officer of Council or of any committee of Council shall have plenary power to order that the Council Chamber and adjacent areas be cleared, or any part thereof, or any person or persons ejected from the Council Chamber or adjacent areas, in the event of disorderly conduct or disturbance which does or tends to interrupt or disrupt the orderly conduct of business by Council or its committee.

(1975 Code 2-30)

AN ORDINANCE CREATING AND APPOINTING A SANITARY BOARD TO ACQUIRE, CONSTRUCT, EQUIP, ADMINISTER, OPERATE AND MAINTAIN A SEWAGE COLLECTION, PURIFICATION, TREATMENT AND DISPOSAL SYSTEM OR SYSTEMS WITHIN THE CITY OF NITRO, TO INVEST IN SUCH BOARD THE CUSTODY, ADMINISTRATION, OPERATION, MAINTENANCE, SUPERVISION AND CONTROL OF SUCH SYSTEM OR SYSTEMS, AND TO FINANCE THE COST OF THE ACQUISITION, CONSTRUCTION AND EXTENSION OF ALL SUCH WORKS BY THE ISSUANCE OF REVENUE BONDS, AS PROVIDED BY ARTICLE 13 OF CHAPTER 16 OF THE CODE OF WEST VIRGINIA; PROVIDING THE METHOD OF APPOINTMENT, TERM OF OFFICE AND COMPENSATION OF MEMBERS OF SAID BOARDS; PROVIDING FOR BOND; AND PROVIDING FOR POWER TO THE BOARD TO MAKE ITS OWN RULES AND REGULATIONS.

WHEREAS, it is the desire of the City of Nitro to own, acquire, construct, equip, operate and maintain a sewage collection system or systems, sewage treatment and / or purification plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations and all other appurtenances necessary or useful and convenient for the collection, treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, sight soil and industrial waste of the City of Nitro and/or of the sanitary district which may be created, and to finance the acquisition, construction and extensions of such system or systems, works and appurtenances by the issuance of revenue bonds, and to provide for the establishment and collection of rates for the use of such works and the service rendered thereby; all as provided by Article 13, Chapter 16 of the Code of West Virginia, as amended;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF NITRO:

Section 1. There is hereby created and appointed The Sanitary Board of the City of Nitro consisting of the Mayor of the City of Nitro, who shall as as Chairman of said Board, Elvin L. Gee, a resident of the City of Nitro, who shall serve for a term of three years, and Mearlin Sims, a registered professional engineer, who shall serve for a term of two years, neither of said members having been an officer or employee of the City of Nitro within a period of one year prior to the date of the introduction of this ordinance.

Section 2. Upon the expiration of each of the terms of said appointees, other than the Mayor, and of each succeeding term, a successor shall be appointed by the Council for a full term of three years, but during the construction period of the works constructed under the supervision and direction said Board one member thereof shall be a registered professional engineer. The Chairman of the Board shall always be the then Mayor of the City of Nitro and vacancies to fill unexpired terms shall be filled by the Council.

Section 3. The Board shall elect a vice-chairman from its members and shall designate a secretary and treasurer (who may be one and the same person) who need not be members of the Board and who shall hold office at the will of the Board.

Each member of the Board, other than the Mayor, shall receive a salary of Twenty-five (\$25.00) Dollars per month, and shall be entitled to payment for his reasonable expenses incurred in the performance of his duties.

14

The secretary and treasurer shall be paid such reasonable compensation for services as from time to time may be fixed by the council and the treasurer shall give bond, with qualified corporate surety, in the amount of Five Thousand (\$5,000.00) Dollars conditioned for the proper application of all moneys received by him as such for the faithful performance of the duties of his office.

All compensation, and all expenses, incurred by said Board, its officers and employees, shall be paid solely from funds authorized to be collected and received by the Board as provided by said Article 13 of Chapter 16 of the Code of West Virginia.

Section 4. The construction, acquisition, improvements, equipment, custody, operation, maintenance and administration of all works for the collection, treatment or disposal of sewage within the City of Nitro and in the sanitary district which shall be acquired, constructed, operated or maintained by said Board, the employment of all engineers, architects, inspectors, superintendents, managers, collectors, attorneys and other employees in the judgement of the Board necessary to the execution of its powers and duties, and the collection of all revenues from the works acquired, constructed, operated or maintained by it, shall be under the supervision and control of the Board.

Section 5. In addition to the authority and powers enumerated herein, the Board created by this ordinance shall be invested with all other powers and authorities provided for such Board by said Article 13 of Chapter 16 of the Code of West Virginia, as amended, or as the same may be amended.

Section 6. The Sanitary Board shall have the power to establish the by-laws, rules and regulations governing its members, employees, meetings and the conduct of its business.

EFFECTIVE DATE; March 4, 1958

W.W.A.

W. W. Alexander, Mayor

Grace Lewis
Grace Lewis, Recorder

PETITION OF THE NITRO REGIONAL WASTEWATER UTILITY
TO THE COUNCIL OF THE CITY OF NITRO

Whereas, the City of Nitro (the "City") owns a wastewater collection and treatment system, (the "System") which System is under the operation and control of the City of Nitro Regional Waste Water Utility (the "Utility"); and

Whereas, the System requires the following:

1. Replace pre-treatment hardworks at the plant.
2. An additional garage/maintenance building to house equipment needs to be built.
3. Replace existing flowmeters with one master flowmeter for effluent monitoring.
4. Replacement of Pump Station No. 7.
5. Realignment of an 8" sewer between an alley and Washington avenue; and

Whereas, S & S Engineers Inc., consulting engineers for the Utility has advised that the foregoing items constituting the project (the "Project") will cost an estimated \$2,250,000. Further such Engineers have advised that the West Virginia Department of Environmental Protection, Clean Water State Revolving Fund will provide the City's Sewer System Revenue Bonds in an amount not to exceed \$2,250,000.00 for the Project founded upon the City of Nitro issuing its Sewerage System Revenue Bonds in such amount.

Whereas, pursuant to the provisions of Chapter 16, Article 13, Section 5 of the West Virginia Code of 1931, as amended, the Utility of the City hereby petitions the Council of the governing body of the City (the "Council") to enact an ordinance to authorize the issuance of not more than \$2,250,000 of the City's Sewerage System Revenue Bonds, Series 2009 A (the "Series 2009 A Bonds"), to pay the costs and related financing costs associated therewith relating to the wastewater treatment plant upgrade consisting of new headworks, garage/maintenance building, and flowmeter, design the pump station #7 replacement and to reimburse Nitro for costs incurred for an emergency sewer line replacement along Washington Avenue (the "Project"); and

Whereas, it has been determined by the Utility that such improvements involving certain additions, improvements and betterments to the System are necessary and desirable for the Project, and the costs of such improvements are approximately \$2,250,000.00; and

Whereas, the Utility has determined that the costs for the additions, improvements and betterments to the system should be paid from the issuance of bonds payable from the revenues of the system to be purchased initially by the West Virginia Department of Environmental Protection, Clean Water State Revolving Fund and any additional balance through other financial sources.

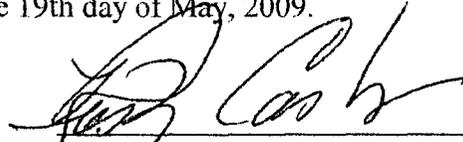
Now Therefore Be It Resolved By the Nitro Regional Wastewater Utility.

1. That the City Council is requested to issue its sewer system revenue bonds (the "Sewer System Revenue Bonds") in an amount not to exceed \$2,250,000.00 in order to finance certain costs of making the additions, improvements and betterments to the system, and the Project

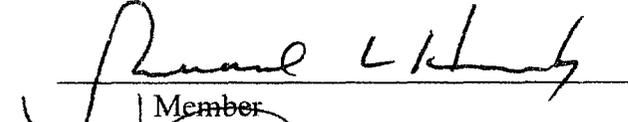
hereinbefore defined, as the same will be later more specifically defined by the ordinance authorizing the issuance of the Series 2009 A Bonds.

2. That the City Council take such other action as may be required in order to issue the Series 2009 A Bonds for the benefit of the City and the users of the System.

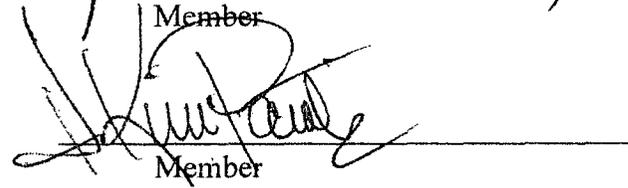
Witness our signatures on this the 19th day of May, 2009.



Chairman, Nitro Regional Wastewater Utility

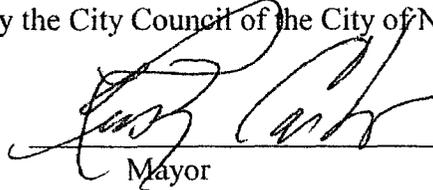


Member



Member

Received this _____ day of May, 2009 by the City Council of the City of Nitro, West Virginia



Mayor

Nitro City Council
Meeting Minutes
Tuesday, October 6, 2009

CALL TO ORDER: Mayor Rusty Casto called the meeting to order at 7:00 pm in Council Chambers. Present along with Mayor Casto were Recorder Rita Cox, Ward 1 Councilman A. A. "Joe" Savilla, Ward 2 Councilman Bill Racer, Ward 3 Craig Matthews, Ward 4 Councilman Bill Javins, Councilmen at Large Dave Casebolt, Bob Fields, and Jim McKay, City Treasurer John Young and City Attorney Richie Robb.

INVOCATION/PLEDGE OF ALLEGIANCE: The Invocation was given by Todd Raynes and the Pledge of Allegiance was led by Councilman Dave Casebolt.

FUTURE DATES OF COUNCIL: Mayor Casto stated that due to a time frame necessary for the Sanitary Board Bond Ordinance the October 20th date for Council would have to be reinstated from Oct. 27. **COUNCILMAN A. A. "JOE" SAVILLA MOVED THAT COUNCIL BE HELD ON OCTOBER 20, 2009. THE MOTION WAS SECONDED BY COUNCILMAN BILL JAVINS. VOTE WAS UNANIMOUS FOR THE MOTION.** The next meeting dates of Council following Oct. 20 will be November 3, 2009 and November 17, 2009.

APPROVAL OF COUNCIL MINUTES: COUNCILMAN SAVILLA MOVED THE MINUTES OF SEPT. 1 AND SEPT. 15 BE APPROVED AS SUBMITTED WITH A SECOND BY COUNCILMAN MATTHEWS. VOTE WAS UNANIMOUS FOR THE MOTION.

NEW BUSINESS:

FIRST READING AN ORDINANCE AUTHORIZING SEWER REVENUE BONDS FOR THE CITY OF NITRO SERIES 2009 A AND B BONDS FOR THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY AND THE FINANCING THEREOF: Mayor Casto introduced attorney Dennis Vaughn who gave background on the projects to be done with the money received. There will be a pump station on Walker St., replacement of headworks, replacement of flow meters, and a garage and maintenance building for equipment and vehicles. He said the Public Service Commission of WV had approved the application for a certificate of convenience and necessity. Some of the money will be from Stimulus Grants. Dennis Vaughn asked City Attorney Richie Robb to read the Ordinance by title only. **COUNCILMAN SAVILLA MOVED THAT COUNCIL PASS ON FIRST READING THE ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENT AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF NITRO AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NITRO OF NOT MORE THAN \$2,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN \$2,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING AN ARRA ASSISTANCE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING THEIR PROVISIONS RELATING THERETO. THE MOTION WAS SECONDED BY COUNCILMAN JAVINS. VOTE WAS UNANIMOUS FOR THE MOTION TO PASS. VOTING FOR THE MOTION WERE RECORDER COX, COUNCILMEN SAVILLA, JAVINS, MATTHEWS, RACER, MCKAY, FIELDS AND CASEBOLT.**

OLD BUSINESS:

RANDY MCDAVID/CIVIC BENEFIT ASSOCIATION: Mayor Casto told Council that Randy McDavid had recently presented the city with a check from the Civic Benefit Assoc. for \$25,000.00. Mayor Casto said Mr. McDavid would like for Council and the members of the CBA to have an informal gathering soon to discuss the needs of the city.

CITIZEN OF THE MONTH: Mayor Casto introduced Councilman Craig Matthews as October Citizen of the Month for his work in getting grant money for trash cans in the city.

PUBLIC HEARING/US ENVIRONMENTAL PROTECTION AGENCY PETROLEUM ASSESSMENT GRANT: Mayor Casto opened the public hearing by stating that more grant money was being sought to assess grants for petroleum contamination. Recorder Cox said that the grant would be for \$200,000.00 and would extend the work started on the previous grants from the Brownfields grants.

CALENDAR BIDS: Recorder Cox said that the city has received four bids for the 2010 calendar.
COUNCILMAN CASEBOLT MOVED A COMMITTEE BE FORMED BY THE MAYOR'S APPOINTMENT TO OPEN THE BIDS AND REPORT BACK TO COUNCIL ON THE DECISION WITH A SECOND BY COUNCILMAN SAVILLA. VOTE WAS UNANIMOUS FOR THE MOTION. Mayor Casto appointed Recorder Cox, Councilman Fields, and himself to the committee.

NEW BUSINESS:

ALL CLASS REUNION/JULY 2, 2010: Mayor Casto reported that the date for the 2010 all Nitro High class reunion will be Friday, July 2, 2010. He said he would like to have some events in the city for Saturday, July 3, 2010.

SENIOR CITIZEN VAN: Mayor Casto said the Senior Van was in need of replacement. Councilman Casebolt said he had been working with grant writers from Kanawha Valley Senior Services to help get that paid for with a possibility of 90% coming from a grant and 10% from seniors and/or the city.

BOARD OF ZONING APPEALS APPOINTMENTS: Mayor Casto said David Blaylock had agreed to serve of the BZA and Bryan Casto had agreed to be first alternate. **COUNCILMAN MATTHEWS MOVED THAT DAVID BLAYLOCK AND BRYAN CASTO BE APPOINTED TO THE BOARD OF ZONING APPEALS WITH BRYAN CASTO BEING FIRST ALTERNATE. THE MOTION WAS SECONDED BY COUNCILMAN MCKAY. VOTE WAS UNANIMOUS FOR THE MOTION TO PASS.**

FIRST READING LICENSE ADMINISTRATIVE FEE ORDINANCE: Richie Robb explained that this amended ordinance was to amend the ordinance making the reinstatement an administrative fee of \$25.00 for less than a year suspension and \$50.00 for over a year suspension. **COUNCILMAN MATTHEWS MOVED THE ORDINANCE TO AMEND SECTION 351.12, ARTICLE 351 OF THE CODE OF ORDINANCES OF THE CITY OF NITRO, WV, ALL RELATING TO THE FEE IMPOSED WHEN A SUSPENDED DRIVER'S LICENSE IS REINSTATED; AND CHANGING THE FEE FROM A REINSTATEMENT FEE TO AN ADMINISTRATIVE FEE. THE MOTION WAS SECONDED BY COUNCILMAN MCKAY. VOTE WAS UNANIMOUS FOR THE MOTION TO PASS.**

BOOT DRIVE/NITRO ELEMENTARY PLAYGROUND/OCT. 17: Mayor Casto introduced Todd Raynes who spoke for the Poca High School Show Choir requesting a boot drive for October 31 on 1st Ave. and 40th Street. Mayor Casto said Nitro Elementary would like to have a boot drive on Oct. 17 for the playground. **COUNCILMAN SAVILLA MOVED TWO BOOT DRIVES BE PERMITTED, OCT. 17 FOR THE NITRO ELEMENTARY PLAYGROUND AND OCT. 31 FOR POCA SHOW CHOIR WITH A SECOND BY COUNCILMAN MATTHEWS. VOTE WAS UNANIMOUS FOR THE MOTION.**

ANNEXATION OF PROPERTY SURROUNDING I-64/PERMISSION TO PROCEED: Mayor Casto announced his intention to proceed with annexation of the area of Bailes Drive and third avenue that are in Putnam County.

ATTORNEY REPORT: Richie Robb said he did not have a formal report but would answer any questions.

TREASURER REPORT: John Young said the revenues are down from Tri-State substantially and may need to be address soon. Councilman Javins asked if the municipal service fees were coming in in a timely fashion and Mr. Young said they are actually down possibly due to the economy.

DISABILITY MENTORING DAY: Mayor Rusty Casto said October 21, 2009 will be Disability Mentoring Day. **RECORDER COX MOVED THAT COUNCIL ENDORSE THE PROCLAMATION BY THE MAYOR MAKING OCTOBER 21, 2009 DISABILITY MENTORING DAY WITH A SECOND BY COUNCILMAN MATTHEWS. VOTE WAS UNANIMOUS FOR THE MOTION.**

COUNCIL COMMENTS:

Councilman Javins commented on the recent article on Ina Thomas who volunteers at the library and suggested she be Citizen of the Year. He said the paving looks good but there is still some left to be done. He said there is still a drain problem in the Hillside Drive area. He announced that Nick Keller of the Central WV Regional Convention and Visitors Bureau will be attending a committee meeting at 6:30 pm on Thursday prior to the Ordinance Committee meeting.

Councilman Matthews said he had won the VFW quilt that was raffled and is donating it back to be raffled a second time. He was giving the free dinners that came with being Citizen of the Month to Leonard Womble for his work on obtaining grants.

Councilman Savilla commented on a letter complimenting Nitro Policeman Brian Oxley for his help with an elderly citizen. **COUNCILMAN SAVILLA MOVED THE LETTER CONCERNING BRIAN OXLEY BE MADE A PART OF THE COUNCIL MINUTES WITH A SECOND BY COUNCILMAN MATTHEWS. VOTE WAS UNANIMOUS FOR THE MOTION.**

RECORDER COX MOVED THE ZONING BOARD DECISION TO DENY THE VARIANCES REQUEST BY MELODY MCCORMICK OF CASTAWAY'S BAR AND GRILL REQUESTING VIDEO LOTTERY MACHINES BE MADE A PART OF THE MINUTES OF THIS MEETING. THE MOTION WAS SECONDED BY COUNCILMAN SAVILLA. VOTE WAS UNANIMOUS FOR THE MOTION. Recorder Cox told Council of a request made to Chris Fletcher, Planning Director of Morgantown by Leonard Womble of the Planning Commission of the City of Nitro to hold training for board members and Council members in Nitro. She said the only compensation for him would be mileage and expenses (food and lodging). Treasurer Young said he was confident the money to cover it would be available for training. **RECORDER COX MOVED THAT TRAINING BE APPROVED FOR PLANNING AND ZONING WITH A SECOND BY COUNCILMAN FIELDS. VOTE WAS UNANIMOUS FOR THE MOTION.**

Councilman Casebolt said he had met on September 29 with Ed Mason of the WV Department of Transportation concerning the Streetscape Grant. He said the three steps of the grant are authorization, design and construction and that A. J. Hill would be the contact person for the city. The bid process should start in December or January and construction would start in the spring. He said the Veterans dinner has been scheduled for April 29 and the speaker will be General Tackett. He said that on Thursday, October 15 Randall Lewis of Robinson Engineering would meet at 10:00 at City Hall to walk to Nitro Elementary to study for the Safe Routes to School Grant.

Councilman Jim McKay said that he thought the city should be active in the Regional Intergovernmental Council to keep input on the Nitro-St. Albans Bridge The next meeting of RIC is December 10 at 12:00.

He said the next meeting of the Convention and Visitors Bureau Committee is 7:00, October 15.

PUBLIC COMMENT:

Bob Schamber said \$1000.00 of the Senior money has been given to Putnam Aging to purchase home delivery containers.

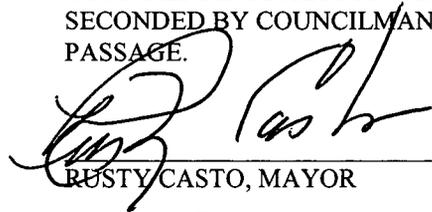
Melody McCormick said she was disappointed that she had been denied video lottery machines by the Board of Zoning Appeals. She said she knew of several places who had been granted lottery machines that did not meet the requirements.

Delmar Bird thanked Councilman Matthews for giving the quilt to be raffled a second time.

John Montgomery said he thought a committee should be formed to study metro government and its possible effect.

ADJOURNMENT:

COUNCILMAN MCKAY MOVED THE MEETING BE ADJOURNED. THE MOTION WAS SECONDED BY COUNCILMAN SAVILLA. VOTE WAS UNANIMOUS FOR THE MOTION'S PASSAGE.



RUSTY CASTO, MAYOR



RITA COX, RECORDER

NITRO CITY COUNCIL
MEETING MINUTES
TUESDAY, OCTOBER 20, 2009

CALL TO ORDER: Mayor Rusty Casto called the meeting to order at 7:00 pm in Council Chambers. Attending were Mayor Casto, Recorder Rita Cox, Councilmen at Large Dave Casebolt, Jim McKay, and Bob Fields, Ward 4 Councilman Bill Javins, Ward 3 Councilman Craig Matthews, Ward 1 Councilman A. A. "Joe" Savilla, City Treasurer John Young and City Attorney Richie Robb. Ward 2 Councilman Bill Racer was not in attendance.

INVOCATION/PLEDGE OF ALLEGIANCE: The Invocation was given by Councilman Jim McKay and the Pledge of Allegiance was led by Councilman Bill Javins.

FUTURE DATES OF COUNCIL: Mayor Casto announced the future dates of Council were November 3 and 17 and December 1 and 15, which will finish the 2009 calendar.

APPROVAL OF COUNCIL MINUTES: RECORDER RITA COX MOVED THE MINUTES OF THE OCTOBER 6, 2009 MEETING OF COUNCIL BE APPROVED WITH A SECOND BY COUNCILMAN BILL JAVINS. VOTE WAS UNANIMOUS FOR THE MOTION TO PASS.

OLD BUSINESS:

SECOND READING AN ORDINANCE AUTHORIZING SEWER REVENUE BONDS FOR THE CITY OF NITRO SERIES 2009 A AND B BONDS FOR THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY AND THE FINANCING THEREOF: Attorney for the Nitro Regional Wastewater Utility, Dennis Vaughn, said that part of the money invested in the project would come from the American Reinvestment and Recovery Act. Richie Robb, attorney for the City of Nitro read the Ordinance by title only. COUNCILMAN A. A. "JOE" SAVILLA MOVED THE COUNCIL PASS ON SECOND READING THE ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENT AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF NITRO AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NITRO OF NOT MORE THAN \$2,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS SERIES A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN \$2,250,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING AN ARRA ASSISTANCE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO. THE MOTION WAS SECONDED BY COUNCILMAN JIM MCKAY. VOTE WAS UNANIMOUS FOR THE MOTION WITH COUNCILMEN SAVILLA, MATTHEWS, JAVINS, MCKAY, CASEBOLT, AND FIELDS AND RECORDER COX VOTING FOR THE MOTION. THE MOTION CARRIED.

SECOND READING AN ORDINANCE TO AMEND SECTION 351.12, ARTICLE 351 OF THE CODE OF ORDINANCES OF THE CITY OF NITRO, WV, ALL RELATING TO THE FEE IMPOSED WHEN A SUSPENDED DRIVER'S LICENSE IF REINSTATED: Richie Robb stated that a public hearing would be appropriate. COUNCILMAN MATTHEWS MOVED A PUBLIC HEARING BE OPENED REGARDING THE NAME CHANGE FROM A REINSTATEMENT FEE TO AN ADMINISTRATIVE FEE WITH A SECOND BY COUNCILMAN MATTHEWS. VOTE WAS UNANIMOUS FOR THE MOTION TO PASS. Mr. Robb explained that the city could not reinstate a driver's license, only the state

of WV could do that so this was a name change from reinstatement fee to an administrative fee. COUNCILMAN MATTHEWS MOVED THE PUBLIC HEARING BE CLOSED WITH A SECOND BY COUNCILMAN SAVILLA. VOTE WAS UNANIMOUS FOR THE MOTION TO PASS.

RECORDER COX MOVED COUNCIL ADOPT AS AN ORDINANCE ON SECOND READING AN ORDINANCE TO AMEND SECTION 351.12, ARTICLE 351 OF THE CODE OF ORDINANCES OF THE CITY OF NITRO, WEST VIRGINIA, ALL RELATING TO THE FEE IMPOSED WHEN A SUSPENDED DRIVER'S LICENSE IS REINSTATED; AND CHANGING THE FEE FROM A REINSTATEMENT FEE TO AN ADMINISTRATIVE FEE. THE MOTION WAS SECONDED BY COUNCILMAN MCKAY. VOTING UNANIMOUSLY FOR THE MOTION WERE COUNCILMEN MCKAY, CASEBOLT, FIELDS, SAVILLA, MATTHEWS, AND JAVINS, AND RECORDER COX. THE MOTION CARRIED.

AWARDING OF CALENDAR BID: Mayor Casto yielded the floor to Councilman Bob Fields. Councilman Fields said he met in City Hall on October 23 with Recorder Cox and Mayor Casto. The bids were opened and the bid that was selected was from Dunbar Printing for \$5,560.00.

BOAT LAUNCH UPDATE: Mayor Casto yielded the floor to Recorder Rita Cox. She told Council that Chris Amick of Kemron had said that the current road block with the boat launch progress AEP's refusal to sign off on the land use covenant that is necessary from anyone or company that has an easement on the boat launch property. AEP had balked at signing off on it and the attorney's handling the work were trying to convince them to sign, until then nothing can be done.

NEW BUSINESS:

FIRST READING AN ORDINANCE TO AMEND ARTICLE 147 TO TRANSFER REAL PROPERTY TO THE NITRO SANITARY BOARD/VALLEY AVENUE/FIFTH STREET/RT. 25: Rich Robb explained to Council that this property will need to be given to the Sanitary Board to allow a lift station to be placed there. COUNCILMAN BILL JAVINS MOVED THAT IT PASS ON FIRST READING AN ORDINANCE TO AMEND ARTICLE 147 TO TRANSFER REAL PROPERTY TO THE NITRO SANITARY BOARD/VALLEY AVENUE/FIFTH STREET/RT. 25 WITH A SECOND BY COUNCILMAN MCKAY. VOTE WAS UNANIMOUS FOR THE MOTION TO PASS.

BOW HUNTING: Recorder Rita Cox said she had received a call recently from a resident on 40th St. who was interested in having a limited bow hunting season in Nitro. Councilman Matthews said it was late in the season to have anything in place for this year. He also said it needed to be studied. COUNCILMAN CASEBOLT MOVED THE BOW HUNTING BE TABLED UNTIL A FUTURE DATE WITH A SECOND BY COUNCILMAN SAVILLA. VOTE WAS UNANIMOUS FOR THE MOTION.

ATTORNEY REPORT: Rich Robb said that he is currently investigating the video lottery ordinance and the issuance of limited video lottery license. He said he would be going with Ronnie King to the Lottery Commission on Friday and should have more to report after that.

TREASURER REPORT: John Young said that Council would have to eventually address the budget for the Building Department because it does not contain provisions for the Code Enforcement position. OPED is running approximately \$45,000.00 per month and will need to be addressed in the future.

COUNCIL COMMENTS:

Councilman Matthews commented on the death of Nitro resident Holly Cross. He requested current financial statements from Nitro Development Authority and said that the information he was recently given by Councilman McKay was not enough to know the status of the NDA.

Councilman Savilla said he thought it imperative the fire hydrant that was removed on 3rd Ave. be replaced on compensated for. Ronnie King said he had talked with the water company representative and they were working on a solution. Mayor Casto said WV American Water need to be held accountable on this issue.

Councilman Matthews said he would be attending the meeting of the Putnam County Health Board on October 27 at 5:30 pm to discuss joining with their Health Department.

Recorder Cox said the Nitro Women's Club would be doing a project with the Christmas Parade called Light the Way.

Councilman Casebolt said the recent meeting on Safe Routes to School was successful and a grant proposal would be in place prior to the deadline of November 15.

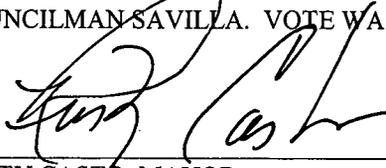
PUBLIC COMMENTS:

Bob Schamber thanked Recorder Rita Cox for seeing that the slip along Blakes Creek Road was addressed before it got to be too bad.

John Montgomery said the Ordinance Committee would meet on October 23 at 7:00 pm in Council Chambers.

ADJOURNMENT:

COUNCILMAN MATTHEWS MOVED THE MEETING BE ADJOURNED WITH A SECOND BY COUNCILMAN SAVILLA. VOTE WAS UNANIMOUS FOR THE MOTION.



RUSTY CASTO, MAYOR



RITA COX, RECORDER

RESOLUTION OF THE CITY OF NITRO REGIONAL WASTEWATER UTILITY APPROVING INVOICES RELATING TO THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING SEWERAGE SYSTEM OF THE CITY AND AUTHORIZING PAYMENT THEREOF

WHEREAS, the City of Nitro's Regional Wastewater Utility (the "City Utility") has reviewed the invoices attached hereto and incorporated herein by reference relating to the completion of acquisition and construction of certain improvements and extensions to the existing sewerage system of the City to be financed in part by the proceeds of the City's Sewerage System Revenue Bonds, Series 2009 A and, Sewerage System Revenue Bonds, Series 2009 B, and by other sources, and finds as follows:

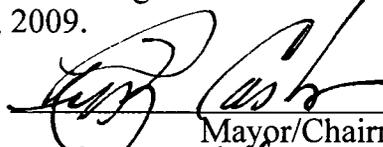
- (A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
- (B) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
- (C) That each of such costs has been otherwise properly incurred; and
- (D) That payment for each of the items proposed is now due and owing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF NITRO REGIONAL WASTEWATER UTILITY OF NITRO AS FOLLOWS:

There is hereby authorized and directed the payment of the attached invoices as summarized as follows:

<u>Vendor</u>	<u>SRF</u> <u>Series A</u>	<u>ARRA</u> <u>Series B</u>
The Vaughan Law Firm		\$ 6,594
Charleston Newspapers	\$ 664	
WVDEP Permits	\$ 300	
WV Water Development Authority	\$315,028	
The Vaughan Law Firm		\$35,000
United Bank, Inc.		\$ 500
	<u>\$315,992</u>	<u>\$42,094</u>

Adopted by the City of Nitro's Regional Wastewater Utility at a regular meeting held on the 20th day of October, 2009.



 Mayor/Chairman


 General Manager

[SEAL]



CHARLESTON NEWSPAPERS

P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS

LEGAL ADVERTISING INVOICE

INVOICE DATE	10/29/09
ACCOUNT NBR	037693003
SALES REP ID	0022
INVOICE NBR	620028001

M

BILLED TO

VAUGHAN LAW FIRM
2020 KANAWHA BLVD E
CHARLESTON WV 25311 USA

Please return this portion with your payment.
Make checks payable to: Charleston Newspapers

AMOUNT PAID: _____



CHARLESTON NEWSPAPERS

P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS
FEIN 55-0676079

INVOICE DATE	10/29/09
ACCOUNT NBR	037693003
SALES REP ID	0022
INVOICE NBR	620028001

Legal pricing is based upon 63 words per column inch.

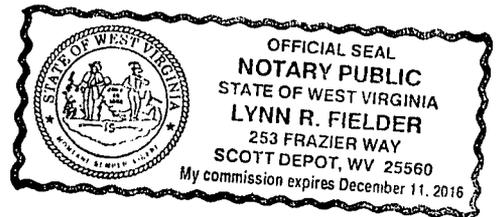
Each successive insertion is discounted by 25% of the first insertion rate.

The Daily Mail rate is \$.13 per word, the Charleston Gazette rate is \$.14 per word, and the Metro Putnam rate is \$.13 per word.

ISSUE DATE	AD TYPE	PUB	DESCRIPTION		AD NUMBER	AD SIZE	RATE	GROSS AMOUNT	NET AMOUNT
			REFERENCE NBR	PURCHASE ORDER #					
10/21	LEGF	DM	Nitro - Public heari		0404563	1X1175			
			620028001			11.75	8.19	92.14	92.14
10/28	LEGR	DM	Nitro - Public heari			1X1175			
			620028002			11.75	8.19	96.23	
			LEGAL DISCOUNT 25%					24.06-	72.17
TOTAL INVOICE AMOUNT									164.31

State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, Sanandra Leagy of



THE DAILY MAIL,
do solemnly swear that the legal notice of:
Nitro - Public hearing n

was duly published in said newspaper(s) at the stated price for the respective newspaper(s) and during the dates listed below:

scribed and sworn to before me this 30 day of October

10/21/09-10/28/09

Lynn R. Fielder
Notary Public of Kanawha County, West Virginia

CITY OF NITRO, WEST VIRGINIA
NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any Person interested that on October 20, 2009, the City of Nitro, West Virginia (the "City") adopted an ordinance which, among other things, amends

1. Authorized the design, acquisition and construction of certain extensions, additions, alterations and improvements (the "Project") to the City's existing sanitary sewerage system (the "System"), the issuance of which of such extensions, additions or improvements shall be in excess of \$2,250,000. The aggregate principal amount of the Bonds System 2009 and not more than

\$2,250,000 in aggregate principal amount of Sewerage System Revenue Bonds (collectively the Bonds).

2. Directed that the Bonds be issued in such principal amounts, bear interest at annual fixed rates, not exceeding the then legal maximum rate, and mature on such dates and in such amounts as are deemed advisable, in whole or in part, as prescribed in a supplemental resolution.

3. Directed the creation of the revenue fund and the disposition of the System revenues, provided for the payment of principal and debt service on the Bonds, directed the creation of a sinking fund and Bonds and creation of the renewal and replacement fund; and directed the creation of a bond contingent fund to be used for the disbursement of bond proceeds.

4. Provided that the Bonds shall be issued in the name of the City of Nitro, West Virginia, and shall be payable solely from the Net Revenues of the System. The Net Revenues of the Bonds and established the rights of the registered owners of the Bonds to such Net Revenues, provided that the conditions for the issuance of additional bonds.

5. Provided that the Bonds shall be subject to the same coverage on the Project and the System, enforcement of coverage collection for fees, rates or other charges, or terms and other covenants in favor of the registered owners, established, the events of default and the remedies of the registered owners; and provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The City contemplates the issuance of the Bonds described in and above, and the Ordinance abstracted above. Any person interested in the Project or the System of the City of Nitro at a regular meeting on November 3, 2009, at 7:00 p.m., City Council Chamber, City Hall, Nitro, West Virginia, and be heard as to whether the Ordinance should be put into effect.

A certified copy of the Ordinance is on file with the Council of City on October 20, 2009. It is on file with the City Recorder for review by interested persons during regular office hours, to-wit: 8:30 a.m. through 4:30 p.m., Monday through Friday.

Rita Cox
City Recorder of
the City of Nitro,
West Virginia. (604563)

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

NEW ISSUE REPORT FORM

Date of Report: 11/12/2009

(See Reverse for Instructions)

ISSUE: <u>City of Nitro</u> <u>Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program)</u>	
ADDRESS: <u>PO Box 607, Nitro, WV 25143</u>	COUNTY: <u>Kanawha</u>
PURPOSE OF ISSUE: New Money: <u>X</u> Refunding: _____	
ISSUE DATE: <u>11/12/2009</u>	REFUNDS ISSUE(S) DATED: <u>NA</u>
ISSUE AMOUNT: <u>\$1,910,778</u>	CLOSING DATE: <u>11/12/2009</u>
1ST DEBT SERVICE DUE: <u>6/1/2011</u>	RATE: <u>0%; Administrative Fee 1%</u>
1ST DEBT SERVICE AMOUNT <u>\$23,885</u>	1ST PRINCIPAL DUE <u>6/1/2011</u>
PAYING AGENT: <u>Municipal Bond Commission</u>	
BOND COUNSEL: Firm: <u>The Vaughan Law Firm</u> Contact: <u>Dennis R. Vaughan, Jr., Esquire</u> Phone: <u>(304) 342-3900</u>	
UNDERWRITERS COUNSEL Firm: <u>Jackson Kelly, PLLC</u> Contact: <u>Samme Gee, Esquire</u> Phone: <u>(304) 340-1318</u>	
CLOSING BANK: Bank: <u>United Bank, Inc.</u> Contact: <u>Kathy Smith</u> Phone: <u>(304)348-8427</u>	
ESCROW TRUSTEE: Firm: _____ Contact: _____ Phone: _____	
KNOWLEDGEABLE ISSUER CONTACT Contact: <u>Rusty Casto</u> Position: <u>Mayor</u> Phone: <u>(304)755-0705</u>	
OTHER: Agency: <u>WV Department of Environmental Protection</u> Contact: <u>Rosalie Brodersen</u> Position: <u>Program Manager</u> Phone: <u>304.926.0499 x 1608</u>	
DEPOSITS TO MBC AT CLOSE By: _____ Wire _____ _____ Check _____ _____ Accrued Interest: \$ _____ _____ Capitalized Interest: \$ _____ _____ Reserve Account: \$ _____ _____ Other: \$ _____	
REFUNDS & TRANSFERS BY MBC AT CLOSE By: _____ Wire _____ _____ Check _____ _____ IGT _____ _____ To Escrow Trustee \$ _____ _____ To Issuer \$ _____ _____ To Cons. Invest. Fun \$ _____ _____ To Other: _____ \$ _____	
NOTES: <u>The Series 2009 A Bonds Reserve Account will be funded over 10 years.</u> _____ _____	
FOR MUNICIPAL BOND COMMISSION USE ONLY: DOCUMENTS REQUIRED: _____ TRANSFERS REQUIRED: _____ _____	

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

NEW ISSUE REPORT FORM

Date of Report: 11/12/2009

(See Reverse for Instructions)

ISSUE: City of Nitro
Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)

ADDRESS: PO Box 607, Nitro, WV 25143 COUNTY: Kanawha

PURPOSE OF ISSUE:
 New Money: X
 Refunding: _____

ISSUE DATE: 11/12/2009 REFUNDS ISSUE(S) DATED: NA
 CLOSING DATE: 11/12/2009

ISSUE AMOUNT: \$1,125,000 RATE: 0%; Administrative Fee N/A

1ST DEBT SERVICE DUE: 100% forgivable 1ST PRINCIPAL DUE 100% forgivable
 1ST DEBT SERVICE AMOUNT 100% forgivable PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Firm: The Vaughan Law Firm
 Contact Dennis R. Vaughan, Jr., Esquire
 Phone: (304)342-3900

UNDERWRITERS COUNSEL Firm: Jackson Kelly, PLLC
 Contact: Samme Gee, Esquire
 Phone: (304) 340-1318

CLOSING BANK: Bank: United Bank, Inc.
 Contact: Kathy Smith
 Phone: (304)348-8427

ESCROW TRUSTEE: Firm: _____
 Contact: _____
 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT Contact: Rusty Casto
 Position: Mayor
 Phone: (304)755-0705

OTHER: Agency: W.V. Department of Environmental Protection
 Contact: Rosalie Brodersen
 Position: Program Manager
 Phone: (304) 926.0499 (ext. 1608)

DEPOSITS TO MBC AT CLOSE

By: _____	Wire _____	Accrued Interest: \$ _____
_____	Check _____	Capitalized Interest: \$ _____
		Reserve Account: \$ _____
		Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____	Wire _____	To Escrow Trustee \$ _____
_____	Check _____	To Issuer \$ _____
_____	IGT _____	To Cons. Invest. Fun: \$ _____
		To Other: _____ \$ _____

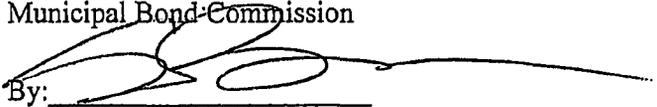
NOTES: The Series 2009 B Bonds are 100% forgivable. The Series 2009 B Bonds Reserve Account will not be funded.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
 DOCUMENTS REQUIRED: _____
 TRANSFERS REQUIRED: _____

RECEIPT FROM THE MUNICIPAL BOND COMMISSION AS OF
NOVEMBER 12, 2009

This is to acknowledge receipt of the sum of \$315,028 representing all principal and interest due and outstanding on that certain Design Loan from the West Virginia Water Development Authority made to the City of Nitro West Virginia made on May 29, 2008 as of November 12, 2009. Such amount is being credited to the account number N175102A as of November 12, 2009, said loan having been paid in full.

State of West Virginia
Municipal Bond Commission

By: 

Sarah Boardman
Executive Director

THE CITY OF NITRO'S
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA
CWSRF PROGRAM), SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA CWSRF PROGRAM/ARRA)

RECEIPT OF PAYMENT OF SERIES 2008 A BONDS

The undersigned duly authorized representative of the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, the registered owner of the Sewerage System Revenue Bonds, Series 2008 A (the "Bonds"), of The City of Nitro (the "Issuer"), dated May 29, 2008, in the original aggregate principal amount of \$313,929, hereby certifies that it has received the sum of \$315,028 from the Issuer and that such sum is sufficient to pay the entire outstanding principal amount of the Bonds and all accrued interest thereon to the date hereof and discharge the liens, pledges and encumbrances securing the Bonds.

Dated this 12th day of November, 2009.

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY


Authorized Representative

CITY OF NITRO

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

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Nitro (the "Issuer") enacted by the Issuer on October 20, 2009, and a Supplemental Resolution adopted by the Issuer on November 3, 2009 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), each dated November 12, 2009, in the respective aggregate principal amounts of \$1,910,778 and \$1,125,000 (collectively, 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 12th day of November, 2009.

THE HUNTINGTON NATIONAL BANK

By: Mary K. Bradley
Its: Authorized Officer

CITY OF NITRO

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

ACCEPTANCE OF DUTIES AS REGISTRAR

The United Bank, Inc., Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Nitro Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), each dated November 12, 2009, in the respective aggregate principal amounts of \$1,910,778 and \$1,125,000 (collectively, the "Series 2009 Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2009 Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2009 Bonds.

WITNESS my signature on this 12th day of November, 2009.

THE UNITED BANK, INC.

By: 
Its: Authorized Officer

CITY OF NITRO

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

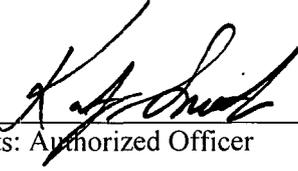
CERTIFICATE OF REGISTRATION OF BONDS

United Bank, Inc., Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the City of Nitro (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), of the Issuer, dated November 12, 2009, in the principal amount of \$1,910,778, numbered AR-1, and the single, fully registered Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, dated November 12, 2009, in the principal amount of \$1,125,000, numbered BR-1, were registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature on this 12th day of November, 2009.

UNITED BANK INC.

By: _____


Its: Authorized Officer

CITY OF NITRO

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

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 12th day of November, 2009, by and between the CITY OF NITRO, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK ,INC., Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$1,910,778 principal amount of Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) and \$1,125,000 principal amount of Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in fully registered form (collectively, the "Series 2009 Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted October 20, 2009, and a Supplemental Resolution of the Issuer duly adopted November 3, 2009 (collectively, the "Bond Legislation");

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

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Series 2009 Bonds; and

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

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

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2009 Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2009 Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest, if any, on the Series 2009 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:
City of Nitro
Post Office Box 308
Nitro, West Virginia 25143
Attention: Mayor

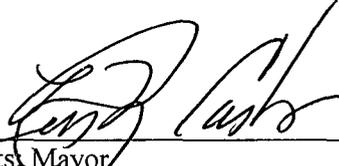
REGISTRAR:
United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25301

8. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The Registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legally available remedies.

9. The Registrar is hereby requested and authorized to authenticate and deliver the Series 2009 Bonds in accordance with the Bond Legislation.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF NITRO

By: 
Its Mayor

UNITED BANK, INC.

By: 
Its: Authorized Officer

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)



west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

July 27, 2009

Danny Lewis, General Manager
Nitro Regional Wastewater Utility
P.O. Box 607
Nitro, WV 25143

RE: Nitro Regional Wastewater Utility
Plans and Specifications Approval
SRF No. C-544423

Dear Mr. Lewis:

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 at (304) 926-0499, ext.1298.

Sincerely,

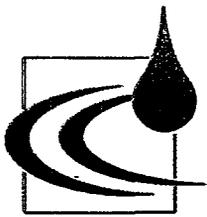
A handwritten signature in black ink that reads "Mike Johnson". The signature is written in a cursive, flowing style.

Mike Johnson, P. E.
Program Manager
Clean Water SRF Program

MJ/jh

cc: Ashok M. Sanghavi, P.E., S & S Engineers, Inc. ✓

Promoting a healthy environment.



WEST VIRGINIA
Water Development Authority
Celebrating 35 Years of Service 1974 - 2009

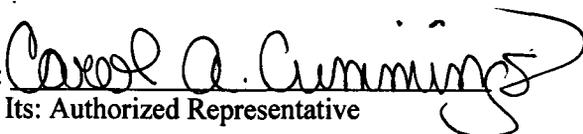
November 12, 2009

CITY OF NITRO
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program)
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Ralph W. Laton, CPA, the independent certified public accountant, and an opinion of The Vaughan Law Firm, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the entire outstanding aggregate principal amount of the Series 1995 Bonds, Series 1996 Bonds, Series 2000 A Bonds and Series 2001 A Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) (the "Bonds"), in the original aggregate principal amount of \$1,910,778 and \$1,125,000, respectively, by the City of Nitro (the "Issuer"), under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Sewer Revenue Bonds, Series 1995 dated July 27, 1995, issued in the original aggregate principal amount of \$373,000; the Sewer Revenue Bonds, Series 1996, dated December 10, 1996 issued in the original aggregate principal amount of \$4,575,902; Sewer Revenue Bonds Series 2000 A; dated June 28, 2000 issued in the original aggregate principal amount of \$2,050,000; and the Sewer System Revenue Bonds Series 2001 A dated June 5, 2001 issued in the original aggregate principal amount of \$543,900.

**WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY**

By: 
Its: Authorized Representative



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/19/2009

PRODUCER Fax# (304) 347-8973 Phone# (304) 347-8972
Garlow Insurance Agency
1217 Quarrier Street

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

Charleston, WV 25301

INSURERS AFFORDING COVERAGE

NAIC #

INSURED Fax# Phone#
City of Nitro
20th Street and 2nd Avenue
Nitro, WV 25143

INSURER A: St Paul Travelers

INSURER B:

INSURER C:

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR. INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. INCT <input type="checkbox"/> LOC	GP09314623	7/1/2009	07/01/10	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 6,000,000 PRODUCTS - COMP/OP AGG \$ 6,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	GP09314623	07/01/09	07/01/10	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY EA ACC AGG \$
A	EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$	GP09314623	07/01/09	07/01/10	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 deductible \$ 10,000 \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	WC10000879-07	07/01/09	07/01/10	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER Fax# Phone#

CANCELLATION

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

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVE S.

AUTHORIZED REPRESENTATIVE Lora L. Fields

CLOSING MEMORANDUM

To: Rosalie Brodersen, Department of Environmental Protection
From: Dennis R. Vaughan, Jr.
Date: November 12, 2009
Re: City of Nitro Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) and Sewer Revenue Bonds Series 2009 B (West Virginia SRF Program/ARRA)

1. DISBURSEMENTS TO THE CITY OF NITRO

- A. Payor: West Virginia Department of Environmental Protection
Source: Series 2009 A Bonds Proceeds
Amount: \$964
Form: Wire Transfer
Payee: City of Nitro, PO Box 308, Nitro, WV 25143
Bank: Huntington National Bank, Nitro, WV
Routing #: 044000024
Account #: 01221012698
Contact: Mary Bradley, Branch Manager
Phone: 304-755-8101 (direct line 304-755-6012)
Account: Nitro Sanitary Board
- B. Payor: West Virginia Department of Environmental Protection
Source: Series 2009 B Bonds Proceeds
Amount: \$42,094
Form: Wire
Payee: City of Nitro, PO Box 308, Nitro, WV 25143
Bank: Huntington National Bank, Nitro, WV
Routing #: 044000024
Account #: 01221012698
Contact: Mary Bradley, Branch Manager
Phone: 304-755-8101 (direct line 304-755-6012)
Account: Nitro Sanitary Board

2. **DISBURSEMENTS TO MUNICIPAL BOND COMMISSION**

Payor: West Virginia Department of Environmental Protection on behalf of City
Source: Series 2009 A Bonds Proceeds
Amount: \$315,028
Date: November 12, 2009
Form: Wire Transfer
Payee: West Virginia Municipal Bond Commission
Bank: Branch Banking & Trust Company, Charleston, WV
Routing #: 051503394
Account #: 5270517317
Contact: West Virginia State Treasurer for West Virginia Municipal Bond Commission
Account: Bonds Payment Fund, which shall be sufficient to pay in full the City of Nitro
Regional Wastewater Utility Sewerage System Design Revenue Bonds, Series
2008 A, dated May 29, 2008.

SWEEP RESOLUTION

City of Nitro

WHEREAS, the City of Nitro (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes or will make acting through the City of Nitro's Regional Wastewater Utility monthly debt service payments on and transfers of reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer, thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, the Nitro Regional Wastewater Utility its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic funds transfer with the State Treasurer sweeping the Issuer's account held by the City of Nitro's Regional Wastewater Utility.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- 1) The monthly debt service payments on and reserve funds for the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.
- 2) The Mayor and Clerk are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.
- 3) This resolution shall be effective immediately upon adoption.

Adopted this 3rd day of November, 2009.



Mayor

EXHIBIT A

List each bond issue account and the Bank account number from which the electronic transfer will be made.

Bond Issue	Bank Account Information	Amount
Sewer Revenue Bonds, Series 1995	<u>01221002051</u>	<u>\$2200</u>
Sewer Revenue Bonds, Series 1996 A	<u>01221002051</u>	<u>\$25,234.74</u>
Sewer Revenue Bonds, Series 2000 A	<u>01221101350</u>	<u>\$6694.73</u>
Sewer Revenue Bonds, Series 2001 A	<u>01221101350</u>	<u>\$1775.97</u>
Sewer Revenue Bonds, Series 2009 A Revenue Fund	<u>4524</u>	TBD
Sewer Revenue Bonds, Series 2009 A Reserve Account	<u>4524</u>	TBD
Sewer Revenue Bonds, Series 2009 B Revenue Fund	<u>na</u>	100% forgivable
Sewer Revenue Bonds, Series 2009 B Reserve Account	<u>na</u>	100% forgivable

Required:

Email for main contact: nitromayor@aol.com



American Recovery and Reinvestment Act of 2009 (ARRA)

Project Certification

Program: West Virginia Clean Water State Revolving Fund

Project: Nitro, Kanawha County

Description:

Upgrade of existing wastewater treatment plant consisting of new headworks and the addition of a garage/maintenance facility; replacement of pump station #7; replacement of a sewer line in the Washington Avenue area.

Total Project Cost

\$3,035,778

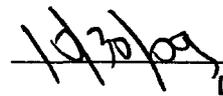
ARRA Assistance Provided

\$1,125,000

I hereby certify that the above project has received the full review and vetting required by federal law and that the investment of federal and state funds in this infrastructure project is an appropriate use of taxpayer dollars.

This certification will be posted on the Governor's website and linked to the federal ARRA website www.recovery.gov.


Randy C. Huffman, Cabinet Secretary


Date



west virginia department of environmental protection