

RECEIVED
JUN 19 2006
MBC

**CITY OF RAVENSWOOD
WATER REVENUE BONDS, SERIES 2006 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

DATE OF CLOSING: APRIL 25, 2006

BONDS TRANSCRIPT

STEPTOE & JOHNSON PLLC

John C. Stump, Esquire
707 Virginia Street, East
Chase Tower, Seventh Floor
Charleston, WV 25326
(304)353-8196
john.stump@steptoe-johnson.com

Vincent A. Collins, Esquire
1085 Van Voorhis Road
United Center, Suite 400
Morgantown, WV 26505
(304)598-8161
vincent.collins@steptoe-johnson.com

CITY OF RAVENSWOOD

**Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)**

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

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

OPINIONS OF COUNSEL

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

CERTIFICATES

13. General Certificate of Issuer and Attorney
14. Certificate of Engineer, with Schedule B Attached
15. Certificate of Certified Public Accountant
16. Certificate as to Arbitrage

DOCUMENTS OF THE ISSUER

17. Charter and Rules of Procedure
18. Oaths of Office of Officers and Councilmembers
19. Water Rate Ordinance
20. Affidavit of Publication of Water Rate Ordinance and Notice of Public Hearing
21. Minutes on Adoption and Enactment of Water Rate Ordinance
22. Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing
23. Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Supplemental Resolution and First Draw Resolution
24. Municipal Bond Commission New Issue Report
25. IRS Information Return (Form 8038-G)

MISCELLANEOUS DOCUMENTS

26. Acceptance of Appointment as Depository Bank
27. Acceptance of Duties as Registrar
28. Certificate of Registration of Bonds
29. Registrar's Agreement

30. NPDES Permit and Health Permit
31. Evidence of Insurance
32. Consent of Prior Bondholder
33. Closing Memorandum
34. Evidence of Grant from Northern Jackson PSD
35. Agreement with Silverton Public Service District
(now, Northern Jackson PSD)
36. Series 1999 Bond Ordinance

735860.00003

CITY OF RAVENSWOOD

**WATER REVENUE BONDS, SERIES 2006 A
(WEST VIRGINIA INFRASTRUCTURE FUND),**

BOND ORDINANCE

Table of Contents

Subject		Page
ARTICLE I		
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01	Authority for this Ordinance	1
Section 1.02	Findings	1
Section 1.03	Bond Legislation Constitutes Contract	3
Section 1.04	Definitions	4
ARTICLE II		
AUTHORIZATION OF THE ACQUISITION AND CONSTRUCTION OF THE PROJECT		
Section 2.01	Authorization of the Acquisition and Construction of the Project	11
ARTICLE III		
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENTS		
Section 3.01	Authorization of Bonds	12
Section 3.02	Terms of Bonds	12
Section 3.03	Execution of Bonds	13
Section 3.04	Authentication and Registration	13
Section 3.05	Negotiability, Transfer and Registration	13
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	14
Section 3.07	Bonds not to be Indebtedness of the Issuer	14
Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	14
Section 3.09	Delivery of Bonds	15
Section 3.10	Form of Bonds	15
	FORM OF SERIES 2006 A BOND	15

Section 3.11	Sale of Bonds; Approval and Ratification of Execution Loan Agreement	24
Section 3.12	Filing of Amended Schedule	24

**ARTICLE IV
[RESERVED]** 25

**ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF**

Section 5.01	Establishment of Funds and Accounts with Depository Bank	26
Section 5.02	Establishment of Funds and Accounts with Commission	26
Section 5.03	System Revenues; Flow of Funds	26

**ARTICLE VI
APPLICATION OF BOND PROCEEDS**

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	31
Section 6.02	Disbursements of Bond Proceeds	31

**ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER**

Section 7.01	General Covenants of the Issuer	33
Section 7.02	Bonds not to be Indebtedness of the Issuer	33
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	33
Section 7.04	Rates and Charges	33
Section 7.05	Sale of the System	34
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	35
Section 7.07	Parity Bonds	35
Section 7.08	Books; Records and Audit	37
Section 7.09	Rates	39
Section 7.10	Operating Budget and Monthly Financial Report	39
Section 7.11	Engineering Services and Operating Personnel	40
Section 7.12	No Competing Franchise	40
Section 7.13	Enforcement of Collections	41
Section 7.14	No Free Services	41
Section 7.15	Insurance and Construction Bonds	41
Section 7.16	Mandatory Connections	43

Section 7.17	Completion of Project; Permits and Orders	43
Section 7.18	Compliance with Loan Agreement and Law	43
Section 7.19	Tax Covenants	43
Section 7.20	Securities Law Compliance	44
Section 7.21	Contracts; Public Releases	45

**ARTICLE VIII
INVESTMENT OF FUNDS; NON ARBITRAGE**

Section 8.01	Investments	46
Section 8.02	Arbitrage and Tax Exemption	46
Section 8.03	Tax Certificate and Rebate	47

**ARTICLE IX
DEFAULT AND REMEDIES**

Section 9.01	Events of Default	49
Section 9.02	Remedies	49
Section 9.03	Appointment of Receiver	49

**ARTICLE X
PAYMENT AND DEFEASANCE OF BONDS**

Section 10.01	Payment of Series 2006 A Bonds	51
---------------	--------------------------------	----

**ARTICLE XI
MISCELLANEOUS**

Section 11.01	Amendment or Modification of Bond Legislation	52
Section 11.02	Bond Legislation Constitutes Contract	52
Section 11.03	Severability of Invalid Provisions	52
Section 11.04	Headings, Etc.	52
Section 11.05	Conflicting Provisions Repealed; Prior Ordinance	52
Section 11.06	Covenant of Due Procedure, Etc.	52
Section 11.07	Effective Date	53
Section 11.08	Statutory Notice and Public Hearing	53
	SIGNATURES	53
	CERTIFICATION	54
	EXHIBIT A	55

CITY OF RAVENSWOOD
CONFORMED BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF RAVENSWOOD AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$995,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 19, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants

of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the existing public waterworks facilities of the Issuer, consisting of water treatment plant improvements and to make other upgrades to the existing water facilities, together with all appurtenant facilities (the "Project") (the existing public waterworks 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 Recorder of the Issuer and at the costs estimated in Section 2.01 hereof.

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

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, in the total aggregate principal amount of not more than \$995,000 in one single series, being the Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than \$995,000 (the "Series 2006 A 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; interest, if any, upon the Series 2006 A 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 Account (as hereinafter defined) for the Series 2006 A 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; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2006 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2006 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 20 years.

F. It is in the best interests of the Issuer that its Series 2006 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the

Issuer and the Authority, on behalf of the Council, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. The Issuer has the following outstanding obligations: (i) Water Refunding Revenue Bonds, Series 1999, dated March 30, 1999, issued in the original aggregate principal amount of \$485,000 (the "Prior Bonds").

The Series 2006 A Bonds shall be issued on a parity with the Prior Bonds. Prior to the issuance of the Series 2006 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage test of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2006 A 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.

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 2006 A Bonds, the payments to the Series 2006 A Bonds Reserve Account 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, the Loan Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2006 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia.

J. 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. That, unless it qualifies for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2006 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2006 A 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 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2006 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means, collectively, the Series 2006 A Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Series 2006 A Bonds for all or a portion of the proceeds of the Series 2006 A Bonds from the Authority.

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

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

"Consulting Engineers" means Burgess & Niple, Ltd., Parkersburg, 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 acquisition and construction of the Project.

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

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

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

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

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

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

"Grant" means the grant from Silverton Public Service District, now known as the Northern Jackson County Public Service District in the amount of \$185,472.

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

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

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

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2006 A Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2006 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2006 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2006 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

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

"Outstanding" when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds 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 Council.

"Prior Bonds" means the Series 1999 Bonds.

"Prior Ordinance" means the ordinance of the Issuer, as supplemented by the supplemental resolutions of the Issuer, authorizing the Prior Bonds.

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

"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 6(c) of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

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

"Recorder" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2006 A Bonds and any Parity Bonds.

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

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

"Series 1999 Bonds" means the Water Revenue Refunding Bonds, Series 1999, of the Issuer, dated March 30, 1999, issued in the original principal amount of \$485,000.

"Series 2006 A Bonds" means the Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2006 A Bonds Construction Trust Fund" means the Series 2006 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2006 A Bonds Reserve Account" means the Series 2006 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2006 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 2006 A Bonds in the then current or any succeeding year.

"Series 2006 A Bonds Sinking Fund" means the Series 2006 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2006 A Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2006 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2006 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation or the Prior 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 waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

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 THE ACQUISITION AND CONSTRUCTION
OF THE PROJECT

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of not to exceed \$995,000, which will be paid from proceeds of the Series 2006 A Bonds, 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 2006 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount compatible with the financing plan submitted to the Council and the Authority.

The cost of the Project is estimated not to exceed \$995,000 of which approximately \$809,528 will be obtained from the proceeds of the Series 2006 A Bonds and \$185,472 will be obtained from a grant from the Northern Jackson County Public Service District.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2006 A Bonds, funding the reserve account for the Series 2006 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2006 A 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 2006 A Bonds of the Issuer. The Series 2006 A Bonds shall be issued in one series, as a single bond, designated as "Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund)", in the principal amount of not more than \$995,000, which shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2006 A Bonds remaining after funding of the Series 2006 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2006 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2006 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2006 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2006 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2006 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2006 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2006 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2006 A Bonds shall cease to be such officer of the Issuer before the Series 2006 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2006 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2006 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on the Series 2006 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2006 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2006 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2006 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2006 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly

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

In all cases in which the privilege of exchanging or transferring the registered Series 2006 A Bonds are exercised, Series 2006 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2006 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2006 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2006 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2006 A 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 the Series 2006 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new 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 2006 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2006 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2006 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2006 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, 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 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2006 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2006 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2006 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2006 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinions of bond counsel on the Series 2006 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2006 A 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 2006 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
WATER REVENUE BONDS, SERIES 2006 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2006, the CITY OF RAVENSWOOD, a municipal corporation and political subdivision of the State of West Virginia in Jackson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B. The interest shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and

between the Issuer and the Authority, on behalf of the Council, dated _____, 2006.

This Bond is issued (i) to pay the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on April ____, 2006, and a Supplemental Resolution duly adopted by the Issuer on April ____, 2006 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER REVENUE REFUNDING BONDS, SERIES 1999, DATED MARCH 30, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$485,000 (THE "SERIES 1999 BONDS"). THE SERIES 1999 BONDS ARE REFERRED TO AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2006 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2006 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the

Prior Bonds; provided however, that, so long as there exists in the Series 2006 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of 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 and interest on this Bond.

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

IN WITNESS WHEREOF, the CITY OF RAVENSWOOD 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 2006 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: _____, 2006.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	<u>AMOUNT</u>	<u>DATE</u>		<u>AMOUNT</u>	<u>DATE</u>
(a)	\$ _____	(s)	\$	_____	
(b)	\$ _____	(t)	\$	_____	
(c)	\$ _____	(u)	\$	_____	
(d)	\$ _____	(v)	\$	_____	
(e)	\$ _____	(w)	\$	_____	
(f)	\$ _____	(x)	\$	_____	
(g)	\$ _____	(y)	\$	_____	
(h)	\$ _____	(z)	\$	_____	
(i)	\$ _____	(aa)	\$	_____	
(j)	\$ _____	(bb)	\$	_____	
(k)	\$ _____	(cc)	\$	_____	
(l)	\$ _____	(dd)	\$	_____	
(m)	\$ _____	(ee)	\$	_____	
(n)	\$ _____	(ff)	\$	_____	
(o)	\$ _____	(gg)	\$	_____	
(p)	\$ _____	(hh)	\$	_____	
(q)	\$ _____	(ii)	\$	_____	
(r)	\$ _____	(jj)	\$	_____	
		TOTAL	\$		

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds: Approval and Ratification of Execution of Loan Agreement. The Series 2006 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver it to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated in this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule of the Series 2006 A Bonds, the form of which will be provided by the Authority and the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

The following special funds or accounts are hereby created with (or continued if previously established by the Prior 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 the Prior Ordinance);
- (2) Operation and Maintenance Fund (established by the Prior Ordinance);
- (3) Renewal and Replacement Fund (established by the Prior Ordinance and therein called the "Depreciation Fund");
- (4) Series 2006 A Bonds Construction Trust Fund; and
- (5) Rebate Fund.

Section 5.02. Establishment of Funds and Accounts with Commission.

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

- (1) Series 2006 A Bonds Sinking Fund; and
- (2) Series 2006 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the sinking fund for the Prior Bonds, the amount required by the Prior Ordinance to pay the interest on the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of interest on the Series 2006 A Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2006 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2006 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2006 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the sinking fund for the Prior Bonds, the amount required by the Prior Ordinance to pay the principal of the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2006 A Bonds, for deposit in the Series 2006 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2006 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 2006 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2006 A Bonds, if not fully funded upon issuance of the Series 2006 A Bonds, for deposit in the Series 2006 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2006 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2006 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 2006 A Bonds Reserve Requirement. Monies in the Series 2006 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2006 A Bonds as the same shall come due, when other monies in the Sinking Fund are insufficient therefor, and for no other purpose.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and

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

Monies in the Series 2006 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2006 Bonds as the same shall become due. Monies in the Series 2006 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2006 A Bonds as the same shall come due, when other monies in the Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2006 A Bonds Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, as applicable, be deposited in the Series 2006 A 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 2006 A Bonds.

Any withdrawals from the Series 2006 A Bonds Reserve Account, which result in a reduction in the balance of such account to below the Reserve Requirement thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2006 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective Reserve Accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2006 A Bonds Sinking Fund, or the Series 2006 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2006 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, if applicable, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2006 A Bonds.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2006 A Bonds Sinking Fund, and the Series 2006 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. 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 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2006 A Bonds, 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 2006 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

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

I. If the Issuer is subject to the rebate requirements of Section 148(f) of the Code and not exempted from such requirements, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, as more fully described in Article VIII.

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 2006 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2006 A Bonds, there shall first be deposited with the Commission in the Series 2006 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2006 A Bonds for the period commencing on the date of issuance of the Series 2006 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2006 A Bonds, there shall be deposited with the Commission in the Series 2006 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2006 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2006 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2006 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2006 A Bonds.

D. After completion of the construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2006 A Bonds shall be expended as directed by the Council.

Section 6.02. Disbursements of Bond Proceeds.

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

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2006 A Bonds from the Series 2006 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

Pending such application, monies in the Series 2006 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2006 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to 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 2006 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2006 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2006 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2006 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2006 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2006 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2006 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on 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. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted March 1, 2005, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2006 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rate and charges initially established for the System in connection with the Series 2006 A Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to

the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, 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 and the Council.

So long as the Series 2006 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2006 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2006 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Series 2006 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of \$50,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of \$50,000 but not in excess of \$200,000, the Issuer shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Governing Body may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$50,000 and not in excess of \$200,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinance and 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 source fiscal year for such sales, leases or other dispositions of such properties, shall be in excess of \$200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2006 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2006 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2006 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2006 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2006 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the 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 2006 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

No such additional Parity Bonds shall be issued except for the purposes of financing the costs of the 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, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

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

- (1) The Bonds then Outstanding;
- (2) Any additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior 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 account created in this Ordinance required for and on account of such Parity Bonds,

in addition to the payments required for the Bonds theretofore issued pursuant to this Ordinance.

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

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance and the Prior 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 acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project; the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia 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 Council, or any other original purchaser of the Series 2006 A Bonds and shall mail in each year to any Holder or Holders of the Series 2006 A Bonds, requesting the same, an annual report containing the following:

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2006 A Bonds and shall submit the report to the Authority and the Council, or any other original purchaser of the Series 2006 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of test disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2006 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the 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, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2006 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2006 A Bonds, including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2006 A Bonds, including the Prior Bonds, if applicable, are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2006 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2006 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

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

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation

shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the Council and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

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

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

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

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2006 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the prime contractor 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 OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing 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 any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the Council. In the event the Loan 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. The Issuer shall verify such insurance prior to commencement of construction.

Section 7.16. Connections. [RESERVED]

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2006 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council 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 Council or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2006 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2006 A Bonds during the term thereof is, under the terms of the

Series 2006 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2006 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2006 A Bonds during the term thereof is, under the terms of the Series 2006 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2006 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2006 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 2006 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2006 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2006 A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2006 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Securities 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; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2006 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2006 A Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2006 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Resolution, 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 Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2006 A 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 2006 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2006 A Bonds which would cause the Series 2006 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2006 A Bonds) so that the interest on

the Series 2006 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Series 2006 A Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Series 2006 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt bonds (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Series 2006 A Bonds are issued are not and will not exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations promulgated thereunder. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and Regulations from time to time in effect and applicable to the Series 2006 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and Regulations from time to time in effect and applicable to the Series 2006 A Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such rebate amount, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. The Issuer shall obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary to maintain the exclusion of interest on the Series 2006 A Bonds from gross income for federal income tax purposes. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be

requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2006 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2006 A Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2006 A Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2006 A Bonds; or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2006 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2006 A Bonds, and such default shall have continued for a period of 30 days after the Issuer, as appropriate, 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 Bondholder 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 2006 A 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 2006 A Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2006 A Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other 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 2006 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2006 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2006 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2006 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2006 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2006 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2006 A 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 2006 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2006 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2006 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed: 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 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been

performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Jackson Star News*, a qualified newspaper published and of general circulation in the City of Ravenswood, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2006 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	March 7, 2006
Passed on Second Reading:	March 21, 2006
Passed on Final Reading Following Public Hearing:	April 4, 2006



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of the City of Ravenswood on the 4th day of April, 2006.

Dated: April 25, 2006.

[SEAL]



Recorder

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

02/02/06
735860.00003

CITY OF RAVENSWOOD

Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE CITY OF RAVENSWOOD; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING A CONFORMED BOND ORDINANCE; APPROVING THE FIRST DRAW RESOLUTION; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the City of Ravenswood (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective April 4, 2006 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF RAVENSWOOD AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$995,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS;

AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), in an aggregate principal amount not to exceed \$995,000, and has authorized the execution and delivery of the loan agreement relating to the Bonds, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"), all in accordance with Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement;

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

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

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 Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$733,958. The Series 2006 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2027 and shall bear no interest from the date of delivery to and including May 31, 2007, and shall thereafter bear interest at the rate of 3% per annum. The principal of and the interest on the Series 2006 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2007, and maturing June 1, 2027, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2006 A Bonds. The Series 2006 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2006 A Bonds.

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

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

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

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

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

Section 7. Series 2006 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2006 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2006 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2006 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Series 2006 A Bonds shall be deposited in or credited to the Series 2006 A Bonds Construction Trust Fund as received from the Council from time to time for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 11. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about April 25, 2006, to the Authority pursuant to the Loan Agreement.

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

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

Section 14 The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Board of Treasury Investments.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The

Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 16. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than \$5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 2006, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Section 17. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit A.

Section 18. The Issuer hereby approves the First Draw Resolution attached hereto as Exhibit B.

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

Adopted this 18th day of April, 2006.



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Ravenswood on the 18th day of April, 2006.

Dated: April 25, 2006.

[SEAL]

Joan Turner
Recorder

735860.00003

CH804640.1

EXHIBIT A
CONFORMED BOND ORDINANCE

EXHIBIT B

FIRST DRAW RESOLUTION

IC-1
(11/01/04)

LOAN AGREEMENT

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

CITY OF RAVENSWOOD

(Governmental Agency)

WITNESSETH:

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

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

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

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

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together,

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as

equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds

revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

- (i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;
- (ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council 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 the Schedule B attached hereto as Exhibit A and my firm¹ has ascertained that all

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 _____,

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

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

Ladies and Gentlemen:

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

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

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior
(C1063378.1)

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

 Name of Person Completing Form

 Address

 Telephone

EXHIBIT D

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 Governmental Agency] on [Date].

Sinking Fund:

Interest \$

Principal \$

Total: \$

Reserve Account: \$

Witness my signature this ____ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

\$733,958

Schedule Y

City of Ravenswood

3.0% Interest Rate, 20 Years

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I
06/01/2006	-	-	-	-
09/01/2006	-	-	-	-
12/01/2006	-	-	-	-
03/01/2007	-	-	-	-
06/01/2007	-	-	-	-
09/01/2007	6,729.00	3.000%	5,504.69	12,233.69
12/01/2007	6,780.00	3.000%	5,454.22	12,234.22
03/01/2008	6,830.00	3.000%	5,403.37	12,233.37
06/01/2008	6,882.00	3.000%	5,352.14	12,234.14
09/01/2008	6,933.00	3.000%	5,300.53	12,233.53
12/01/2008	6,985.00	3.000%	5,248.53	12,233.53
03/01/2009	7,038.00	3.000%	5,196.14	12,234.14
06/01/2009	7,090.00	3.000%	5,143.36	12,233.36
09/01/2009	7,144.00	3.000%	5,090.18	12,234.18
12/01/2009	7,197.00	3.000%	5,036.60	12,233.60
03/01/2010	7,251.00	3.000%	4,982.63	12,233.63
06/01/2010	7,306.00	3.000%	4,928.24	12,234.24
09/01/2010	7,360.00	3.000%	4,873.45	12,233.45
12/01/2010	7,416.00	3.000%	4,818.25	12,234.25
03/01/2011	7,471.00	3.000%	4,762.63	12,233.63
06/01/2011	7,527.00	3.000%	4,706.60	12,233.60
09/01/2011	7,584.00	3.000%	4,650.14	12,234.14
12/01/2011	7,641.00	3.000%	4,593.26	12,234.26
03/01/2012	7,698.00	3.000%	4,535.96	12,233.96
06/01/2012	7,756.00	3.000%	4,478.22	12,234.22
09/01/2012	7,814.00	3.000%	4,420.05	12,234.05
12/01/2012	7,872.00	3.000%	4,361.45	12,233.45
03/01/2013	7,931.00	3.000%	4,302.41	12,233.41
06/01/2013	7,991.00	3.000%	4,242.92	12,233.92
09/01/2013	8,051.00	3.000%	4,182.99	12,233.99
12/01/2013	8,111.00	3.000%	4,122.61	12,233.61
03/01/2014	8,172.00	3.000%	4,061.78	12,233.78
06/01/2014	8,233.00	3.000%	4,000.49	12,233.49
09/01/2014	8,295.00	3.000%	3,938.74	12,233.74
12/01/2014	8,357.00	3.000%	3,876.53	12,233.53
03/01/2015	8,420.00	3.000%	3,813.85	12,233.85
06/01/2015	8,483.00	3.000%	3,750.70	12,233.70
09/01/2015	8,547.00	3.000%	3,687.08	12,234.08
12/01/2015	8,611.00	3.000%	3,622.97	12,233.97
03/01/2016	8,675.00	3.000%	3,558.39	12,233.39
06/01/2016	8,740.00	3.000%	3,493.33	12,233.33
09/01/2016	8,806.00	3.000%	3,427.78	12,233.78
12/01/2016	8,872.00	3.000%	3,361.73	12,233.73
03/01/2017	8,939.00	3.000%	3,295.19	12,234.19

SCHEDULE Z

None.

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 31st day of October, 2005.

CASE NO. 05-0590-W-CN

CITY OF RAVENSWOOD

Application for a Certificate of Convenience and Necessity to construct certain additions and improvements to its existing water system in Jackson County and for the approval of the financing thereof.

COMMISSION ORDER

On April 28, 2005, the City of Ravenswood (City) filed an application for a certificate of convenience and necessity to construct certain additions and improvements to its existing water system in Jackson County, in order to serve increased demands in the Ravenswood area and from the Silvertown Public Service District (District). Pursuant to the application, the City and the District planned to share a portion of the estimated \$803,000 project cost. The City also requested approval of the proposed financing and indicated that its rates would not be increased for the project.

On May 20, 2005, the City filed an affidavit of publication for the Notice of Filing. The notice was published in *The Jackson Star News* on May 5 and May 12, 2005.

On May 24, 2005, Commission Staff filed an Initial Joint Staff Memorandum and its First Set of Interrogatories, Data Request or Request for Information.

John H. Alderson filed a letter of protest on May 25, 2005, stating his opposition to a water rate increase.

On June 15, 2005, the City filed its response to Staff's first set of discovery requests.

The City filed additional documents to supplement its original application, on July 26, 2005.

On July 27, 2005, Staff filed a Further Joint Staff Memorandum, indicating that the City would be filing a motion to toll the statutory deadline due to a funding shortfall. Staff stated that it would support the City's request.

On July 28, 2005, the City filed a motion to toll the statutory deadline for ninety days to allow it adequate time to obtain additional funding necessary to complete the project.

By Order issued August 3, 2005, the Commission noted that *W. Va. Code* § 24-2-11(a) requires that certificate applications be processed within 270 days of their filing. The statutory deadline for processing this case was January 23, 2006. In view of the City's need to obtain additional funding necessary to complete the project, the Commission granted its request that the statutory deadline be tolled for 90 days, that is from January 23, 2006, until April 24, 2006.¹

On October 6, 2005, the City filed copies of the Infrastructure Council's Revised Binding Commitment Letter to supplement the City's certificate application. The letter reflected an increase in the Infrastructure Fund Loan from \$550,528 to \$617,528.

On October 24, 2005, Staff filed its Final Joint Staff Memorandum. Staff recommended that the certificate application be granted. Staff detailed that the City owns and operates a public water system serving approximately 2,000 residential, commercial and industrial customers in Jackson County. The City also provides water for resale to Silvertown Public Service District, which serves 780 customers. Unaccounted for water losses are slightly higher than the Commission's permissible 15% and Staff advised the City to intensify efforts to reduce such losses.

An extension project currently underway will serve approximately 260 new customers. The instant project involves improvements to the City's water treatment facility and a small number of modifications to the distribution system, as follows:

1. Installation of new valves in the high lift pump system.
2. Construction of a new building to house an existing treatment unit (i.e., the existing air stripper).

¹It is noted that ninety days from January 23, 2006 is April 23, 2006. However, as April 23rd is a Sunday, the Commission set the new statutory deadline as Monday, April 24, 2006.

3. Construction of a small expansion to the existing treatment plant which will be used to house a small laboratory and some specialized (fluoride) chemical feed equipment.
4. Modifications to the existing clearwell (i.e., installing baffles) in order to improve disinfection efficiency.
5. Construction of an additional concrete clearwell in order to provide capacity to meet disinfection (CT) requirements.

The City is also proposing modifications to improve the hydraulics of the distribution system to enable the system to deliver additional water to its customers, and particularly, the District. Further, these modifications will enable the City to extend service to future additional customers. These include:

1. Approximately 1,200 feet of new 12" main on Sycamore Street.
2. Approximately 1,800 feet of new 12" main extending to the "Silverton Tank."
3. Approximately 2,500 feet of new 10" main connecting with the "Hillcrest Tanks."
4. Various tie-ins, connections and valves, as required to integrate the new or improved lines into the existing distribution system.

The project is estimated to cost \$803,000, with construction costs of \$570,000. The increase to operation and maintenance expenses resulting from the project will be approximately 1% annually, which Staff finds reasonable.

Staff finds a need for the project as reported by Burgess and Niple, Ltd. This report states that some areas of the distribution system are acting as a hydraulic bottle neck restricting flows and causing potential pressure problems during peak demands. The project will enhance reliability, improve pressure and allow for future expansion. Staff opines that the project is appropriate, modest in scope and reasonable in cost.

Staff reported that necessary state and federal permits and approvals from other governmental agencies have been obtained.

Staff advises that the technical specifications and plans for the project appear to be not in conflict with the Commission's Water Rules.

Funding for the project will consist of: (i) \$617,528 Infrastructure loan at annual interest of 3%, for a term of 20 years; and (ii) a lump sum payment from the District in the amount of \$185,472. The City has already passed a rate ordinance to cover the loan debt service and the increased operation and maintenance expenses that will result from the project. Accordingly, the Commission's grant of this application will have no impact on rates. Staff attached to its memorandum a suggested tariff for the City to consider when it next addresses its rates by ordinance. Staff's tariff contains language to bring the City's tariff into compliance with the Commission's current *Rules for the Construction and Filing of Tariffs (Tariff Rules)*, 150 C.S.R. 2.

In summary, Staff recommended that the City's application be granted on the following conditions:

1. The improvements be constructed as fully described in the City's certificate application.
2. The City shall submit copies of all necessary permits and approvals as soon as received. Construction should not proceed until all needed permits, approvals, easements, rights-of-way and real property have been secured.
3. Financing be approved as: an Infrastructure loan in the amount of \$617,528, at 3% per annum, for a term of 20 years; and a lump sum contribution in aid of construction from the Silverton Public Service District of \$185,472.
4. The City must notify the Commission, and request a reopening of this proceeding for Commission approval, if there are any changes to the plans, scope or financing for the project.
5. In the event bids exceed the estimated project costs approved herein, the City must request approval for any necessary project revisions and submit necessary engineering and financial data in support thereof.
6. The City shall submit to the Commission a certificated copy of the bid tabulation(s) for all contracts as soon as they are available.
7. The City should, in its next ordinance, bring its tariff into compliance with the Commission's *Tariff Rules*.

DISCUSSION

Upon review of the foregoing, and the documents on file in this case, the Commission finds that this application demonstrates a need for the proposed project, and that the public convenience and necessity will be served by the project. Furthermore, Staff has determined that the costs for the project are reasonable, and that the City has in place sufficient rates to support the project. Accordingly, the Commission will grant the City of Ravenswood a certificate of convenience and necessity, as well as approve the project financing, pursuant to *W.Va.Code* § 24-2-11.

A hearing is not necessary in this case. The Commission notes the lone protest voiced objection over the project costs in anticipation of a rate increase. As existing rates are sufficient to cover debt service and other costs related to this project, the protestant's concerns should be alleviated.

FINDINGS OF FACT

1. On April 28, 2005, the City of Ravenswood (City) filed an application for a certificate of convenience and necessity to construct certain additions and improvements to its existing water system in Jackson County, in order to serve increased demands in the Ravenswood area and from the Silverton Public Service District (District). The City also requested approval of the proposed financing and indicated that its rates would not be increased for the project.
2. The City and the District proposed to share the estimated \$803,000 project cost.
3. On May 20, 2005, the City filed an affidavit of publication for the Notice of Filing. The notice was published in *The Jackson Star News* on May 5 and May 12, 2005.
4. John H. Alderson filed a letter of protest on May 25, 2005, stating his opposition to a water rate increase.
5. On June 15, 2005, the City filed its response to Staff's first set of discovery requests.
6. The City filed documents to supplement its original application on July 26, 2005.

7. The statutory deadline in this proceeding was tolled by Commission Order, on the motion of the City, supported by Staff. The City needed additional time to obtain sufficient funding. *See*, July 27, 2005, Further Joint Staff Memorandum; July 28, 2005, City Motion; Commission Order issued August 3, 2005.

8. The current statutory decision due date is April 24, 2006.

9. On October 6, 2005, the City filed copies of the Infrastructure Council's Revised Binding Commitment Letter to supplement the City's certificate application. The letter reflected an increase in the Infrastructure Fund Loan from \$550,528 to \$617,528.

10. On October 24, 2005, Staff filed its Final Joint Staff Memorandum. Staff recommended that the certificate application be granted. Staff provided details of the project as noted above.

11. Funding for the project will consist of: (i) \$617,528 Infrastructure loan at an annual interest of 3%, for a term of 20 years; and (ii) a lump sum payment from the District in the amount of \$185,472.

12. The City has already passed a rate ordinance to cover the loan debt service and the increased operation and maintenance expenses that will result from the project. Accordingly, the Commission's grant of this application will have no impact on rates.

13. Staff attached to its memorandum a suggested tariff for the City to consider when it next addresses its rates by ordinance. Staff's tariff contains language to bring the City's tariff into compliance with the Commission's current *Tariff Rules*.

14. In summary, Staff recommended that the City's application be granted with the eight conditions listed above.

CONCLUSIONS OF LAW

1. Upon review of the foregoing, and of the documents filed in this case, the Commission finds that this application demonstrates a need for the proposed project, and that the public convenience and necessity will be served by the project.

2. The costs for the project are reasonable, and the City has in place sufficient rates to support the project.

3. The Commission will grant the City of Ravenswood a certificate of convenience and necessity, as well as approve the project financing, pursuant to *W.Va.Code* § 24-2-11.

4. A hearing is not necessary in this case. The lone protest voiced objection over the project costs in anticipation of a rate increase. As existing rates are sufficient to cover debt service and other costs related to this project, the protestant's concerns should be alleviated.

ORDER

IT IS THEREFORE ORDERED that the City of Ravenswood's application for a certificate of convenience and necessity, filed on April 28, 2005, and as subsequently amended, is hereby granted, subject to the receipt of all necessary permits.

IT IS FURTHER ORDERED that the planned improvements be constructed as fully described in the City's certificate application.

IT IS FURTHER ORDERED that the City submit copies of all necessary permits and approvals as soon as received. Construction shall not proceed until all needed permits, approvals, easements, rights-of-way and real property have been secured.

IT IS FURTHER ORDERED that financing for this project is approved as follows: (i) an Infrastructure loan in the amount of \$617,528, at 3% per annum, for a term of 20 years; and (ii) a lump sum contribution in aid of construction from the Silvertown Public Service District of \$185,472.

IT IS FURTHER ORDERED that the City notify the Commission, and request a reopening of this proceeding for Commission approval, if there are any changes to the plans, scope or financing for the project.

IT IS FURTHER ORDERED that in the event bids exceed the estimated project costs approved herein, the City must request approval for any necessary project revisions and submit necessary engineering and financial data in support thereof.

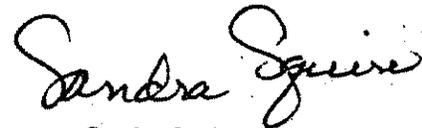
IT IS FURTHER ORDERED that the City submit to the Commission a certificated copy of the Bid Tabulation(s) for all contracts as soon as they are available.

IT IS FURTHER ORDERED that the City be, and hereby is, directed to submit a certificate of substantial completion for the project from its engineer as soon as it becomes available.

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

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

A True Copy, Teste:



Sandra Squire
Executive Secretary

JML/ljm
050590ca.wpd

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 4th day of April, 2006.

CASE NO. 05-0590-W-CN (REOPENED)

CITY OF RAVENSWOOD

Application for a Certificate of Convenience and Necessity to construct certain additions and improvements to its existing water system in Jackson County and for the approval of the financing thereof.

COMMISSION ORDER

On October 31, 2005, the Commission issued an order which granted the City of Ravenswood (City) a certificate of convenience and necessity to construct certain additions and improvements to its existing water system in Jackson County, in order to serve increased demands in the Ravenswood area and from the Silvertown Public Service District (District). Pursuant to the application, the City and the District planned to share a portion of the estimated \$803,000 project cost. That order also approved the following financing for the project: (i) a West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) loan in the amount of \$617,528, at 3% per annum, for a term of 20 years; and (ii) a lump sum contribution in aid of construction from the Silvertown Public Service District of \$185,472.

On March 3, 2006, the City petitioned to have this case reopened stating that the project had been put out for bids and it had received bids in excess of the loan and grant amounts approved in the October 31, 2005, order. The City stated that it had obtained a commitment letter for additional loan funds from the Infrastructure Council in the amount of \$116,430. The City further stated that it would not require a rate increase for the additional loan.

On March 15, 2006, Commission Staff (Staff) filed its Initial and Final Joint Staff Memorandum. Staff supported the City's petition to reopen this certificate application for the purpose of increasing the project budget and modifying the project financing. Specifically, Staff recommended the following:

1. This case should be reopened and the City of Ravenswood should be granted an amended Certificate of Convenience and Necessity as described in the Petition to Reopen.
2. Approval of revised project financing consisting of a loan in the amount of \$733,958 from the WV Infrastructure and Jobs Development Council having a term of twenty (20) years with an interest rate of 3% and a grant from the Northern Jackson County Public Service District¹ in an amount of \$185,472.
3. Staff recommendations stemming from the original certificate case should remain in effect as ordered.

DISCUSSION

The bids for this project were higher than anticipated, and the City has received an additional loan from the Infrastructure Council. This additional loan will not require the City to increase its rates, therefore the Commission should approve the City's petition.

FINDINGS OF FACT

1. On October 31, 2005, the Commission issued an order which granted the City a certificate of convenience and necessity and approved the following financing for the project: (i) an Infrastructure Council loan in the amount of \$617,528, at 3% per annum, for a term of 20 years; and (ii) a lump sum contribution in aid of construction from the Silverton Public Service District of \$185,472.

2. On March 3, 2006, the City petitioned to have this case reopened for approval of an additional Infrastructure Council loan in the amount of \$116,430 to cover the higher than expected bids.

¹Staff noted that the Silverton Public Service District was now the Northern Jackson County Public Service District.

3. On March 15, 2006, Staff recommended the City's petition to reopen this certificate application for the purpose of increasing the project budget and modifying the project financing be approved.

CONCLUSIONS OF LAW

1. This case should be reopened to consider the City of Ravenswood's Petition to Reopen.

2. The Commission should approve the revised project financing consisting of a loan in the amount of \$733,958 from the Infrastructure Council having a term of twenty (20) years with an interest rate of 3% and a contribution from the Northern Jackson County Public Service District in an amount of \$185,472.

ORDER

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

IT IS FURTHER ORDERED that the revised project financing consisting of a loan in the amount of \$733,958 from the West Virginia Infrastructure and Jobs Development Council having a term of twenty (20) years with an interest rate of 3% and a contribution from the Northern Jackson County Public Service District in an amount of \$185,472, is hereby approved.

IT IS FURTHER ORDERED that if there are changes in the project's plans or scope, as well as its terms of financing which affect rates, the City of Ravenswood must seek the Commission's approval of those changes.

IT IS FURTHER ORDERED that if there is a change in the project cost that does not affect rates, the City of Ravenswood need not petition to reopen this case for further Commission approval. Instead, the City of Ravenswood must file an affidavit from its certified public accountant verifying that rates are not affected.

IT IS FURTHER ORDERED that in all other aspects the Commission's October 31, 2005, order shall remain in full force and effect.

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

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

A True Copy, Teste:



Sandra Squire
Executive Secretary

LHG/s
050590cb.wpd

West Virginia Infrastructure & Jobs Development Council

Public Members:

James D. Williams, Chairman
St. Albans
Russell L. Isaacs
Cottageville
Dwight Calhoun
Petersburg
William P. Stafford, II, Esquire
Princeton

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

Katy Mallory, PE
Executive Secretary

KMallory@ezwv.com

July 11, 2001

The Honorable William Ritchie
Mayor, City of Ravenswood
212 Walnut Street
Ravenswood, West Virginia 26164

Re: City of Ravenswood
Water Project 2001 W-628

Bill
Dear Mayor ~~Ritchie~~:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the City of Ravenswood's (the "City") preliminary application regarding its proposed project to upgrade the existing water system (the "Project").

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

Upon consideration of the preliminary application, the Infrastructure Council recommends that the City pursue a \$1,290,000 Drinking Water Treatment Revolving Fund loan to finance this project. Please contact the Bureau for Public Health at 558-2981 for specific information on the steps the City needs to follow to apply for these funds. Please note that this letter does not constitute funding approval from this agency.

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

Sincerely,



James D. Williams

Enclosure

cc: Walt Ivey, BPH (w/o enclosure)
Region V Planning & Development Council
Lise Sibicky, Burgess & Niple

West Virginia Infrastructure & Jobs Development Council

Public Members:

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

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

Jefferson E. Brady, PE

Executive Director
Jefferson.Brady@verizon.net

March 1, 2006

The Honorable Lucy Harbert
Mayor, City of Ravenswood
212 Walnut Street
Ravenswood, West Virginia 26164

Re: Binding Commitment Letter - Revised
City of Ravenswood Water Project
Project 2001W-628

Dear Mayor Harbert:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the City of Ravenswood's (the "City") request for revision to the Infrastructure Council's binding commitment offer of October 5, 2005 to the City for financing its water project. At its March 1, 2006 meeting, the Infrastructure Council voted to revise the binding commitment as shown on the attached Schedule A. The changes reflect an increase in the Infrastructure Fund Loan from \$167,528 to \$733,958. All other conditions of the October 5, 2005 commitment remain in effect.

If the City has any questions regarding this commitment, please contact Jeff Brady at the above-referenced telephone number.

Sincerely,



Mark Prince

MP/km

Attachments

cc: Samme Gee, Esq., Jackson & Kelly
Lisa Sibicky, Burgess & Niple
Ashok Sanghavi, S& S Engineers
Northern Jackson County PSD
John Stump, Steptoe & Johnson

City of Ravenswood
Page Two

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

City of Ravenswood

By: _____

Its: _____

Date: _____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

City of Ravenswood
Water Project 2001W-628
March 1, 2006
Revision 3

SCHEDULE A

- A. Approximate Amount: \$733,958 Loan
- B. Loan: \$733,958
1. Maturity Date: 20 years from date of closing.
 2. Interest Rate: 3%
 3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition
 4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.
 5. Special Conditions: None

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

C. Other Funding

Northern Jackson
County PSD
(Formerly Silvertown PSD) \$185,472 (Proceeds from an Infrastructure Fund Loan to Silvertown PSD)

- D. Total Project Cost: \$919,430

CITY OF RAVENSWOOD

Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 25th day of April, 2006, 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 Ravenswood (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of \$733,958, numbered AR-1, issued as a single, fully registered Bond, and dated April 25, 2006 (the "Series 2006 A Bonds").

2. At the time of such receipt, the Series 2006 A Bonds had been executed by the Mayor and the Recorder of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2006 A Bonds, of the sum of \$106,200, being a portion of the principal amount of the Series 2006 A Bonds. The balance of the principal amount of the Series 2006 A Bonds will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

Dated as of the day and year first above written.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: 
Its: Authorized Representative

CITY OF RAVENSWOOD

By: 
Its: Authorized Representative

735860.0003

CITY OF RAVENSWOOD

Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On this 25th day of April, 2006, there are delivered to you herewith:

- (1) Bond No. AR-1, constituting the entire original issue of the City of Ravenswood Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), in the principal amount of \$733,958, dated April 25, 2006 (the "Bonds"), executed by the Mayor and the Recorder of the City of Ravenswood (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 April 4, 2006, and a Supplemental Resolution duly adopted by the Issuer on April 18, 2006 (collectively, the "Bond Legislation");
- (2) A copy of the Bond Legislation authorizing the above-described Bonds, duly certified by the Recorder of the Issuer;
- (3) Executed counterparts of the loan agreement for the Series 2006 A Bonds, dated April 25, 2006 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council ("Council"); and
- (4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

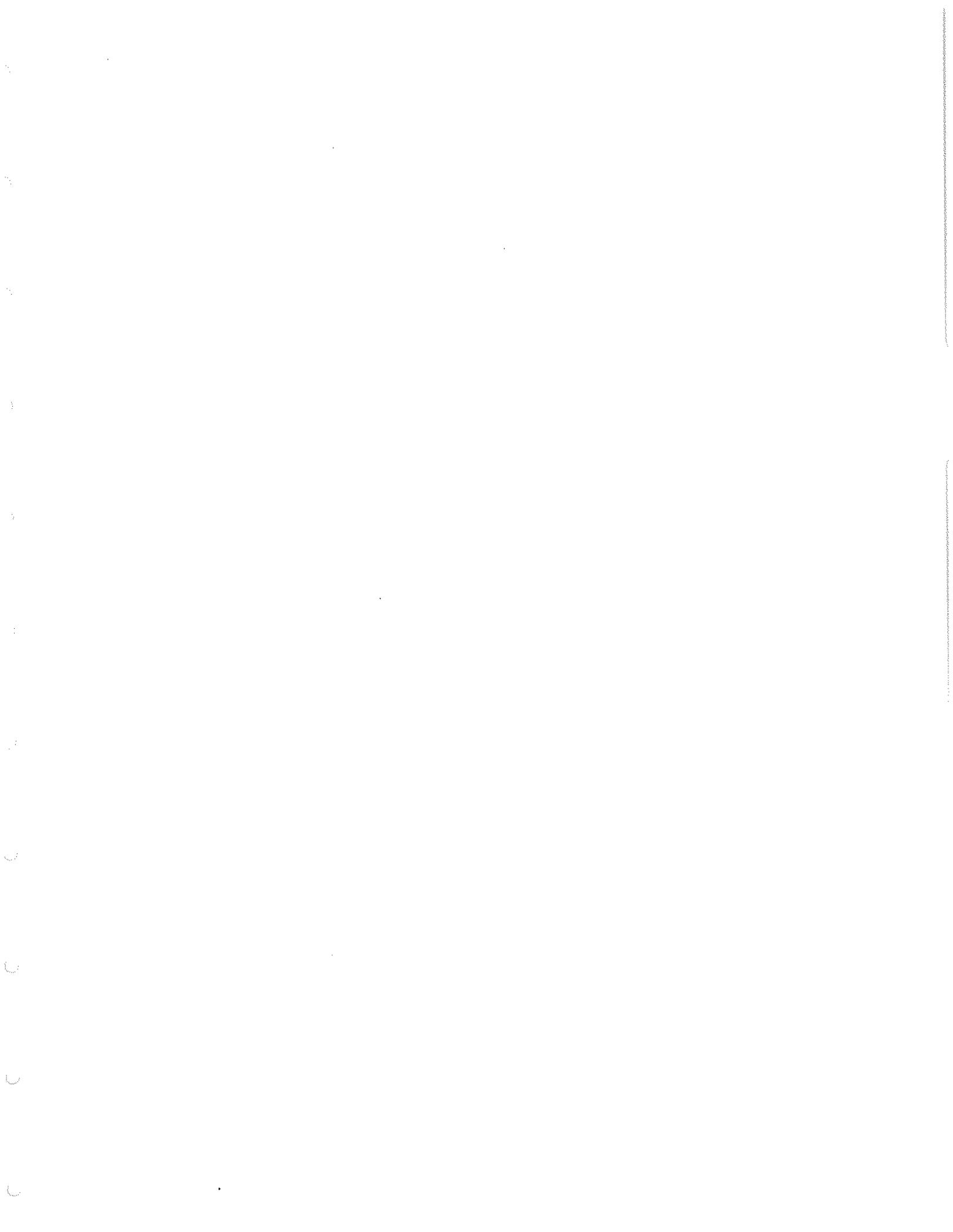
You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$106,200, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first above written.

CITY OF RAVENSWOOD

By: *Lucy J. Herbert*
Its: Mayor

2/8/06
735860.00003



SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
WATER REVENUE BONDS, SERIES 2006 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$733,958

KNOW ALL MEN BY THESE PRESENTS: That on this the 25th day of April, 2006, the CITY OF RAVENSWOOD, a municipal corporation and political subdivision of the State of West Virginia in Jackson County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of SEVEN HUNDRED THIRTY-THREE THOUSAND NINE HUNDRED FIFTY-EIGHT DOLLARS (\$733,958), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2007, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit B. The interest shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2007, as set forth on EXHIBIT B attached hereto. The Bond shall bear no interest from the date of delivery to and including May 31, 2007, and shall thereafter bear interest at the rate of 3% per annum.

Principal installments of this Bond are payable in any coin or currency which, on the dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated April 25, 2006.

This Bond is issued (i) to pay the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on April 4, 2006, and a Supplemental Resolution duly adopted by the Issuer on April 18, 2006 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER REVENUE REFUNDING BONDS, SERIES 1999, DATED MARCH 30, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$485,000 (THE "SERIES 1999 BONDS"). THE SERIES 1999 BONDS ARE REFERRED TO AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2006 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2006 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that, so long as there exists in the Series 2006 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the

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

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of 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 and interest on this Bond.

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

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the CITY OF RAVENSWOOD 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]

Lucy Stuchert

Mayor

SPECIMEN

ATTEST:

Joan Turner

Recorder

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2006 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: April 25, 2006.

THE HUNTINGTON NATIONAL BANK,
as Registrar

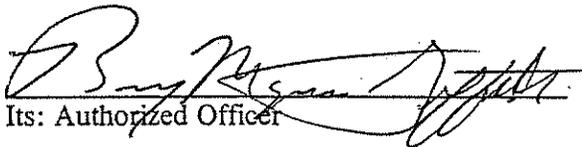
By: 
Its: Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1)\$ 106,200	April 25, 2006	(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

Date	Principal	Coupon	Interest	Total P+I
06/01/2006	-	-	-	-
09/01/2006	-	-	-	-
12/01/2006	-	-	-	-
03/01/2007	-	-	-	-
06/01/2007	-	-	-	-
09/01/2007	6,729.00	3.000%	5,504.69	12,233.69
12/01/2007	6,780.00	3.000%	5,454.22	12,234.22
03/01/2008	6,830.00	3.000%	5,403.37	12,233.37
06/01/2008	6,882.00	3.000%	5,352.14	12,234.14
09/01/2008	6,933.00	3.000%	5,300.53	12,233.53
12/01/2008	6,985.00	3.000%	5,248.53	12,233.53
03/01/2009	7,038.00	3.000%	5,196.14	12,234.14
06/01/2009	7,090.00	3.000%	5,143.36	12,233.36
09/01/2009	7,144.00	3.000%	5,090.18	12,234.18
12/01/2009	7,197.00	3.000%	5,036.60	12,233.60
03/01/2010	7,251.00	3.000%	4,982.63	12,233.63
06/01/2010	7,306.00	3.000%	4,928.24	12,234.24
09/01/2010	7,360.00	3.000%	4,873.45	12,233.45
12/01/2010	7,416.00	3.000%	4,818.25	12,234.25
03/01/2011	7,471.00	3.000%	4,762.63	12,233.63
06/01/2011	7,527.00	3.000%	4,706.60	12,233.60
09/01/2011	7,584.00	3.000%	4,650.14	12,234.14
12/01/2011	7,641.00	3.000%	4,593.26	12,234.26
03/01/2012	7,698.00	3.000%	4,535.96	12,233.96
06/01/2012	7,756.00	3.000%	4,478.22	12,234.22
09/01/2012	7,814.00	3.000%	4,420.05	12,234.05
12/01/2012	7,872.00	3.000%	4,361.45	12,233.45
03/01/2013	7,931.00	3.000%	4,302.41	12,233.41
06/01/2013	7,991.00	3.000%	4,242.92	12,233.92
09/01/2013	8,051.00	3.000%	4,182.99	12,233.99
12/01/2013	8,111.00	3.000%	4,122.61	12,233.61
03/01/2014	8,172.00	3.000%	4,061.78	12,233.78
06/01/2014	8,233.00	3.000%	4,000.49	12,233.49
09/01/2014	8,295.00	3.000%	3,938.74	12,233.74
12/01/2014	8,357.00	3.000%	3,876.53	12,233.53
03/01/2015	8,420.00	3.000%	3,813.85	12,233.85

Date	Principal	Coupon	Interest	Total P+I
06/01/2015	8,483.00	3.000%	3,750.70	12,233.70
09/01/2015	8,547.00	3.000%	3,687.08	12,234.08
12/01/2015	8,611.00	3.000%	3,622.97	12,233.97
03/01/2016	8,675.00	3.000%	3,558.39	12,233.39
06/01/2016	8,740.00	3.000%	3,493.33	12,233.33
09/01/2016	8,806.00	3.000%	3,427.78	12,233.78
12/01/2016	8,872.00	3.000%	3,361.73	12,233.73
03/01/2017	8,939.00	3.000%	3,295.19	12,234.19
06/01/2017	9,006.00	3.000%	3,228.15	12,234.15
09/01/2017	9,073.00	3.000%	3,160.61	12,233.61
12/01/2017	9,141.00	3.000%	3,092.56	12,233.56
03/01/2018	9,210.00	3.000%	3,024.00	12,234.00
06/01/2018	9,279.00	3.000%	2,954.93	12,233.93
09/01/2018	9,348.00	3.000%	2,885.33	12,233.33
12/01/2018	9,419.00	3.000%	2,815.22	12,234.22
03/01/2019	9,489.00	3.000%	2,744.58	12,233.58
06/01/2019	9,560.00	3.000%	2,673.41	12,233.41
09/01/2019	9,632.00	3.000%	2,601.71	12,233.71
12/01/2019	9,704.00	3.000%	2,529.47	12,233.47
03/01/2020	9,777.00	3.000%	2,456.69	12,233.69
06/01/2020	9,850.00	3.000%	2,383.37	12,233.37
09/01/2020	9,924.00	3.000%	2,309.49	12,233.49
12/01/2020	9,999.00	3.000%	2,235.06	12,234.06
03/01/2021	10,074.00	3.000%	2,160.07	12,234.07
06/01/2021	10,149.00	3.000%	2,084.51	12,233.51
09/01/2021	10,225.00	3.000%	2,008.40	12,233.40
12/01/2021	10,302.00	3.000%	1,931.71	12,233.71
03/01/2022	10,379.00	3.000%	1,854.44	12,233.44
06/01/2022	10,457.00	3.000%	1,776.60	12,233.60
09/01/2022	10,536.00	3.000%	1,698.17	12,234.17
12/01/2022	10,615.00	3.000%	1,619.15	12,234.15
03/01/2023	10,694.00	3.000%	1,539.54	12,233.54
06/01/2023	10,774.00	3.000%	1,459.34	12,233.34
09/01/2023	10,855.00	3.000%	1,378.53	12,233.53
12/01/2023	10,937.00	3.000%	1,297.12	12,234.12
03/01/2024	11,019.00	3.000%	1,215.09	12,234.09
06/01/2024	11,101.00	3.000%	1,132.45	12,233.45
09/01/2024	11,185.00	3.000%	1,049.19	12,234.19
12/01/2024	11,268.00	3.000%	965.30	12,233.30
03/01/2025	11,353.00	3.000%	880.79	12,233.79
06/01/2025	11,438.00	3.000%	795.65	12,233.65

Date	Principal	Coupon	Interest	Total P+I
09/01/2025	11,524.00	3.00%	709.86	12,233.86
12/01/2025	11,610.00	3.00	623.43	12,233.43
03/01/2026	11,697.00	3.000%	536.36	12,233.36
06/01/2026	11,785.00	3.000%	448.63	12,233.63
09/01/2026	11,874.00	3.000%	360.24	12,234.24
12/01/2026	11,963.00	3.000%	271.19	12,234.19
03/01/2027	12,052.00	3.000%	181.46	12,233.46
06/01/2027	12,143.00	3.000%	91.07	12,234.07

(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: _____



Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, Eighth Floor

P.O. Box 1588

Charleston, WV 25326-1588

(304) 353-8000 (304) 353-8180 Fax

www.stepto-johnson.com

Writer's Contact Information

April 25, 2006

City of Ravenswood
Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

City of Ravenswood
Ravenswood, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Ravenswood (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its \$733,958 Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated April 25, 2006, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are issued in the principal amount of \$733,958 in the form of one bond, registered as to principal and interest to the Authority, with interest at the rate of 3% per annum, with principal installments and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning September 1, 2007, and maturing June 1, 2027, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

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

We have also examined the applicable provisions of Chapter 8, Article 19 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the bond ordinance duly enacted by the Issuer on April 4, 2006, as supplemented by the supplemental resolution duly adopted by the Issuer on April 18, 2006 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been 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 Loan Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

In connection with the issuance of the Bonds, the Issuer has executed a Certificate as to Arbitrage, dated as of the date hereof (the "Certificate as to Arbitrage"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

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

1. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof.
2. The Loan Agreement inures to the benefit of the Authority and Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Issuer without the consent of the Authority and the Council.
3. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.
4. The Bond Legislation and all other necessary ordinances and resolutions have been legally and effectively adopted or enacted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan 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, all in accordance with the terms of the Bonds and the Bond Legislation.

6. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. Based upon the certifications of the Issuer set forth in the Certificate as to Arbitrage and under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the proceeds of the Bonds are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code. The opinion set forth above is subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code relating to the applicable exceptions to rebate. The Issuer has covenanted to comply with all such requirements. Failure to comply with such requirements could cause proceeds of the Bonds to be subject to such arbitrage rebate requirements retroactive to the date of issuance of the Bonds.

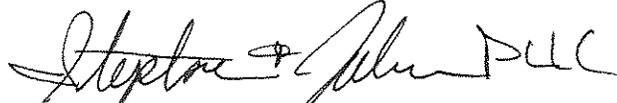
8. The Bonds and all interest thereon are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

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.

City of Ravenswood, et al.
Page 4

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

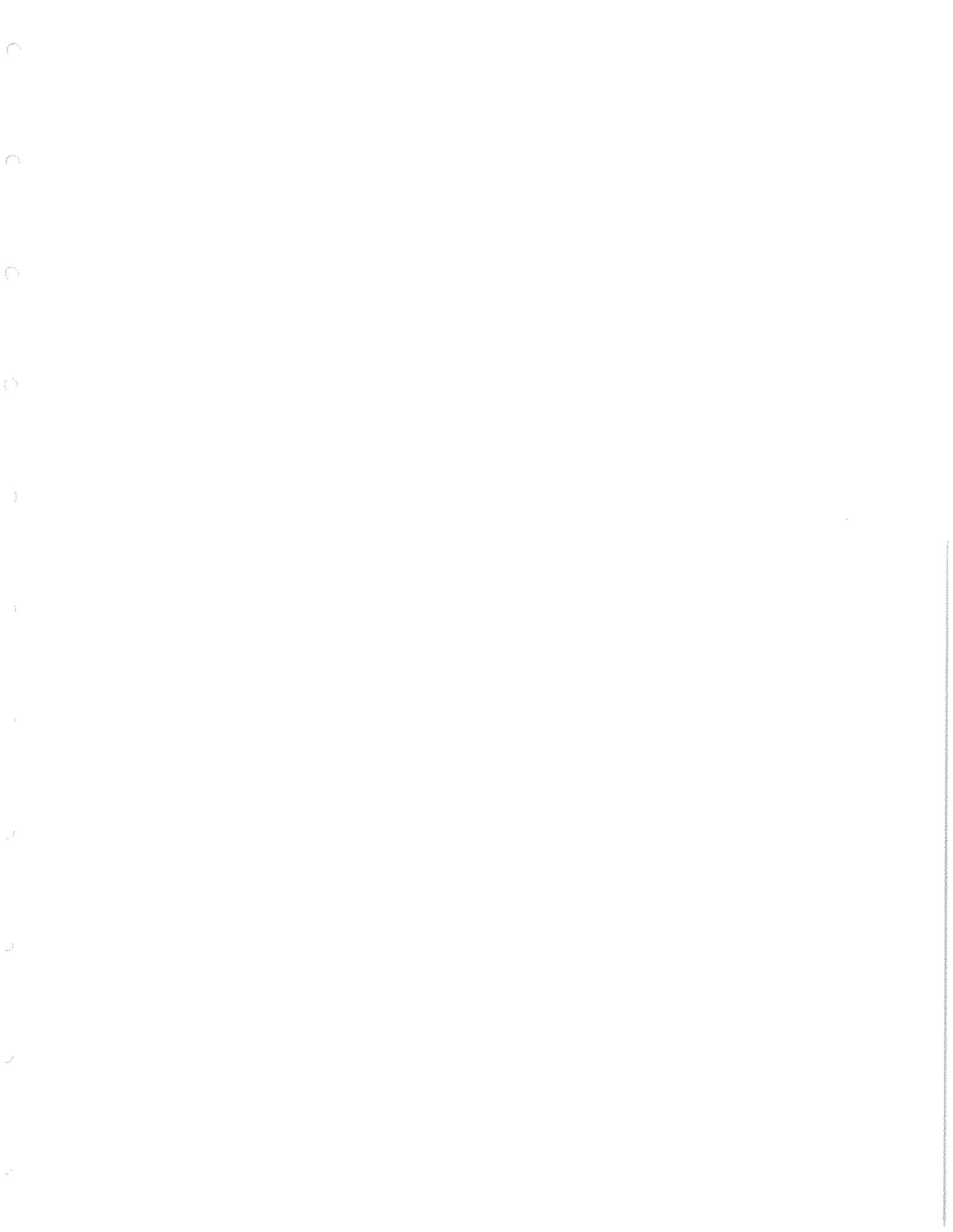
Very truly yours,



STEPTOE & JOHNSON PLLC

735860.00003

CH804275.2





James P. McHugh
jpmchugh@wvdsi.net

McHUGH WILLIAMS *pllc*
Your Rights. Our Responsibility.

Roger D. Williams
rdwilliams@wvdsi.net

April 25, 2006

City of Ravenswood
Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Ravenswood in Jackson County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Bonds dated April 25, 2006, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a Bond Ordinance duly enacted by the Issuer on April 4, 2006, as supplemented by a Supplemental Resolution duly adopted by the Issuer on April 18, 2006 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

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



West Virginia Water Development Authority, et al
April 25, 2006
Page 2

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

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

4. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or 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 West Virginia Department of Environmental Protection, the West Virginia Bureau of Public Health, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges.

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



West Virginia Water Development Authority, et al
April 25, 2006
Page 3

7. Prior to the execution of construction contracts by the Issuer, I will verify that all successful bidders have made required provisions for all insurance and payment and performance bonds and I will verify such insurance policies or binders and such 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 contracts, 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 Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,


James P. McHugh

JPM:mw

735860.00003



Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, Eighth Floor

P.O. Box 1588

Charleston, WV 25326-1588

(304) 353-8000 (304) 353-8180 Fax

www.step-toe-johnson.com

Writer's Contact Information

April 25, 2006

City of Ravenswood
Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

City of Ravenswood
Ravenswood, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We are special counsel to the City of Ravenswood, Ravenswood, West Virginia (the "Issuer"), in connection with certain matters before the Public Service Commission of West Virginia (the "PSC"). As such counsel, we are of the opinion that:

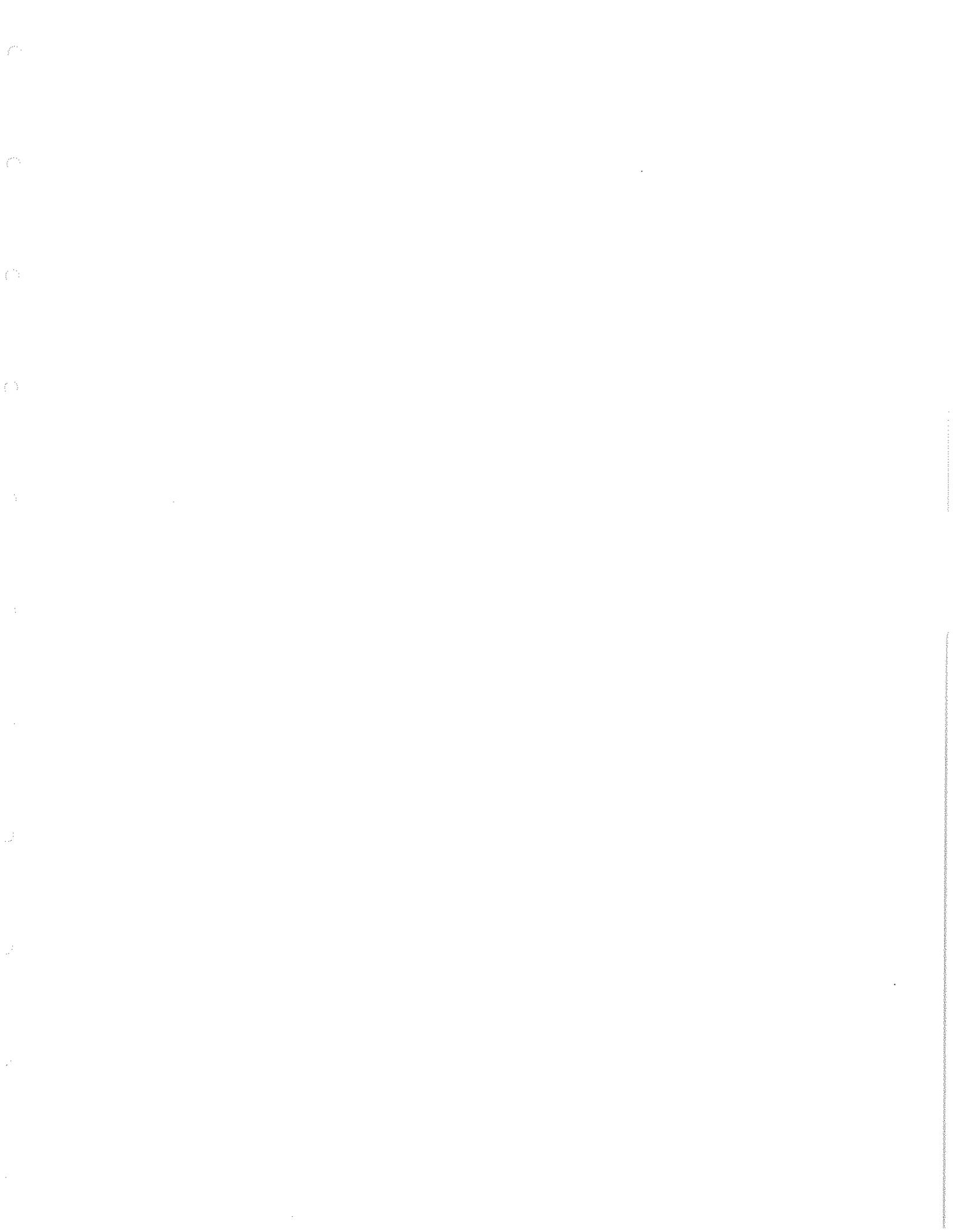
The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Commission Order of the Public Service Commission of West Virginia entered on October 31, 2005, and April 4, 2006, in Case No. 05-0590-W-CN (Reopened), granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. Such Orders remain in full force and effect.

Very truly yours,

A handwritten signature in black ink, appearing to read 'StepToe & Johnson PLLC', written over a horizontal line.

04/10/06
735860.00003

CH817623.1



ADAMS, FISHER & BOGGS, PLLC

Attorneys at Law

RONALD H. ADAMS (1929-1987)
ROBERT D. FISHER
LEAH R. BOGGS

Post Office Box 326
122 South Court Street
Ripley, WV 25271

Telephone: (304) 372-6191
Facsimile: (304) 372-2175
e-mail: adamsfisher@citynet.net
leahboggs@citynet.net

April 25, 2006

City of Ravenswood
Ravenswood
West Virginia

West Virginia Infrastructure and Jobs Development Council
300 Summers Street, Suite 980
Charleston, WV 25301

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

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

RE: Final Title Opinion for the CITY OF RAVENSWOOD

Ladies and Gentlemen:

We are counsel to the City of Ravenswood (the "Issuer") in connection with a proposed project to construct a water line extension, Project No. 2001W-268 (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") for the Project. Please be advised of the following:

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

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

City of Ravenswood
West Virginia Infrastructure and Jobs Development Council
West Virginia Water Development Authority
Steptoe & Johnson PLLC

April 25, 2006
Page 2

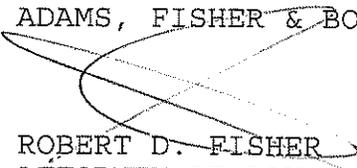
3. We have investigated and ascertained the location of, and are familiar with the legal descriptions of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Burgess and Niple, the consulting engineers for the Project.

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

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

Sincerely,

ADAMS, FISHER & BOGGS, PLLC



ROBERT D. FISHER
ATTORNEY AT LAW

RDF:jg

d:letters:ravenswood

PART I.

THE CHARTER.

Editor's note.--The Charter as herein set out is as published in the Ravenswood Town Code of 1936 (there having been no Charter amendment since revision of the Charter in 1868), except that section catchlines and the frontal section analysis have been supplied by the editors and are unofficial. The following extract from the preface to the Ravenswood Town Code of 1936, captioned "History of Ravenswood," may be of interest:

"The Town of Ravenswood was originally incorporated by the General Assembly of Virginia, March 10th, 1852. (Acts 1852, Chap. 400, page 296.) Again by the Legislature of West Virginia, Feb. 25th, 1868. (Acts 1868, Chap. 51, page 47.) It is now controlled by Chap. 8 of the Official Code of West Virginia.¹ On Sept. 2nd, 1898, page 80 of the records of the council, appears an ordinance submitting to a vote, the question of enlarging the corporate limits of the Town, as therein specified, [and on] Oct. 4th, 1898, page 82, said ordinance is by the Council declared adopted and said limits enlarged as therein specified [by metes and bounds]. At the November term of the Circuit Court, 1898, the said ordinance was approved and said limits established as specified, which order is found in Book No. 14, on page 374 of the law records of said Court."

The legislature, in its 1969 revision and consolidation of chapters 8 and 8A of the Code of West Virginia into a new chapter 8, recognized, in section 8-1-6, "that when the provisions of existing special legislative charters are compared with and are considered in the light of the provisions of this chapter, [i.e., the new chapter 8], there are five basic possibilities as to the relationship between such charter provisions and the provisions of this chapter, namely: (1) As to any particular charter provisions, such charter provisions may be inconsistent or in conflict with the pertinent provisions of this chapter; (2) although relating to the same subject matter and although not inconsistent or in conflict with any provisions of this chapter, certain charter provisions may be sufficiently different from pertinent provisions of this chapter as to indicate, as a matter of practical construction, that either the charter provisions or the provisions of this chapter, but not both, should be applicable; (3) although varying in certain respects, certain charter provisions may be similar to and in essential harmony with corresponding provisions of this chapter; (4) as to any particular charter provisions, there may be no counterpart of such provisions in this chapter; and (5) as to any provisions of this chapter, there

I hereby certify that the foregoing is a true and correct copy of the original on file in my office.

Given under my hand this 28th day of

Oct 19 77.


City Clerk

1. See § 1-9 of part II of this Code.

Ravenswood City Code

may be no counterpart charter provisions." Section 8-1-6, therefore, sets forth certain rules to be applied, in addition to the usual and ordinary rules of statutory construction, with respect to construction and applicability of legislative charters, and it is suggested that users of this city Code refer to W. Va. Code, § 8-1-6, in determining the present construction and applicability of any portion of the Ravenswood Charter to any given situation.

- § 1. Boundaries.
- § 2. Municipal authorities; common council.
- § 3. Mayor, recorder and councilmen constitute body politic under name of Town of Ravenswood; corporate powers generally.
- § 4. Exercise of corporate powers.
- § 5. Offices of town sergeant, treasurer and overseer of the poor created.
- § 6. Elective officers.
- § 7. Term of elective officers.
- § 8. Elective officers must be freeholders in town and entitled to vote at town elections for officers.
- § 9. Holding of annual elections; certificates of election.
- § 10. Qualifications of electors.
- § 11. Filling vacancies in office.
- § 12. Voting to be by ballot at all elections.
- § 13. Manner of breaking tie vote at any election.
- § 14. Provisions relating to contested elections.
- § 15. Quorum of common council.
- § 16. Oath of members of common council.
- § 17. Procedure upon member of common council failing to qualify.
- § 18. Presiding officer of common council.
- § 19. Record of proceedings of common council, and entries therein; voting by presiding officer.
- § 20. Enumerated powers of common council; jurisdiction for one mile beyond corporate limits, except for taxation.
- § 21. Implementation of powers; fines and penalties; commitment of offenders to county jail.
- § 22. Authority of common council as to landings, wharfs, etc., and to appoint wharfmasters and collect duties on vessels using wharfs.
- § 23. Annual estimate of expenditures, and order for levy.
- § 24. Persons and property subject to tax levy, and limitation on levies.
- § 25. Licensing powers of common council; authority of council to prohibit granting of license to sell alcoholic beverages in area for two miles beyond corporate limits.
- § 26. Powers, duties and liabilities of sergeant.
- § 27. Liens created for town taxes, assessments, fines and penalties; enforcement and priority of liens.
- § 28. Power of common council to prohibit performances, etc., deemed injurious to morals or good order of town.
- § 29. Bonds of sergeant and treasurer.

- § 30. Powers, duties and compensation of mayor.
- § 31. Powers, duties and compensation of recorder.
- § 32. Additional powers, duties and liabilities of sergeant; compensation of sergeant.
- § 33. Payment of town monies to treasurer, and disbursement thereof.
- § 34. Recourse of town upon failure of treasurer to account for and pay over town money.
- § 35. Recourse of town upon failure of sergeant to collect account for town revenues.
- § 36. Exemption of town and taxable persons and property therein from expenses and liability in certain cases.
- § 37. Saving provisions.
- § 38. Division of town into wards; ward regulations; elections within wards.
- § 39. Employment and safekeeping of city prisoners, etc.
- § 40. Charter always subject to modification or repeal by legislature.
- § 41. Oath of office of all town officers.

ACTS OF THE LEGISLATURE OF WEST
VIRGINIA, 1868, CHAPTER 51.

An ACT to amend and re-enact the Charter of the Town of Ravenswood, in the County of Jackson.
Passed February 25, 1868.

Be it enacted by the Legislature of West Virginia:

That the charter of the Town of Ravenswood be amended and reenacted so as to read as follows:

Sec. 1. Boundaries.

The corporate limits of the Town of Ravenswood shall be as follows, to-wit: Beginning at the mouth of Sand Creek, at low water mark, and running thence with said creek to the foot of Gallatin Street; thence with the line of said street to the line of R. S. Brown's farm; thence with the line of said farm to the Ohio River; thence down the Ohio River, at low water mark, to the place of beginning.

Sec. 2. Municipal authorities; common council.

The municipal authorities of said town shall be a Mayor, Recorder and five Councilmen, who together shall be a common council.

Sec. 3. Mayor, recorder and councilmen constitute body politic under name of Town of Ravenswood; corporate powers generally.

The Mayor, Recorder and Councilmen, so soon as they have been elected and qualified as hereinafter provided, shall be a body politic by the name of "The Town of Ravenswood," and shall have perpetual succession and a common seal, and by

that name may sue and be sued, implead and be impleaded, may purchase and hold real estate and other property necessary to enable them the better to discharge their duties and needful for the good order, government and welfare of the said corporation.

Sec. 4. Exercise of corporate powers.

All corporate powers of the said town shall be exercised by the said council, or under their authority, except where otherwise provided.

Sec. 5. Officers of town sergeant, treasurer and overseer of the poor created.

There shall be a Town Sergeant, Treasurer, and an overseer of the poor.

Sec. 6. Elective officers.

The Mayor, Recorder and Councilman shall be elected by the citizens of said corporation who may be entitled under this act to vote.

Sec. 7. Term of elective officers.

Their term of office shall be (except when to fill vacancies) for one year, and until their successors have been elected and qualified as hereinafter provided.

Sec. 8. Elective officers must be freeholders in town and entitled to vote at town elections for officers.

The Mayor, Recorder and Councilmen must be freeholders in said corporation, and entitled to vote for members of its common council.

Sec. 9. Holding of annual elections; certificates of election.

The first election under this act shall be held on the second Monday in March, eighteen hundred and sixty-eight, in the town of Ravenswood, under the supervision of the supervisor and inspector of elections of Gilmore township; and annually thereafter there shall be an election in each year, at such time and place, and under such supervision, rules and regulations as the council may prescribe. The officers conducting the first election shall grant a certificate to the persons elected, which certificate shall be recorded in the journal kept by the council.

Sec. 10. Qualifications of electors.

All persons residing in said town, and who shall have paid the town taxes, if any, assessed against them for the preceding year, shall be entitled to vote for all officers elected by the people under this act.

Sec. 11. Filling vacancies in office.

All vacancies occurring from any cause, in any of the offices provided for in this act, shall be filled by appointment by the Council.

Sec. 12. Voting to be by ballot at all elections.

At all elections the vote shall be by ballot.

Sec. 13. Manner of breaking tie vote at any election.

Whenever two or more persons for the same office, at any election, shall receive an equal number of votes, the officers conducting the election shall, in an equitable mode prescribed by the council, determine which of the persons so voted for shall be returned elected.

Sec. 14. Provisions relating to contested elections.

All contested elections shall be heard and decided by the council for the time being, but the council may order a new election, if they are satisfied the ends of justice will be better attained thereby.

Sec. 15. Quorum of common council.

A majority of the whole number of officers mentioned in the second section of this act, shall be necessary to the transaction of any business whatever.

Sec. 16. Oath of members of common council.

The Mayor, Recorder, Councilmen, and all officers herein provided for, shall each, before entering upon the duties of his office, and within two weeks from the time of his election or appointment, take and subscribe the oath prescribed by the Act of the Legislature of this State, passed November sixteenth, eighteen hundred and sixty-three, and an oath to faithfully and impartially discharge the duties of his office. The mayor having taken such oath or affirmation, may administer the same to the councilmen and other officers; certificates of said oath, or affirmation, shall be recorded in the journal kept by the council; and whenever two-thirds of the members of the common council shall have qualified, they shall enter upon their said offices, and shall supersede the former council of said town.

Sec. 17. Procedure upon member of common council failing to qualify.

If any one who shall have been duly elected Mayor, Recorder, or Councilman, shall not have been eligible, as herein prescribed, or shall refuse or fail to take the oath or affirmation required under this act, within the time prescribed, the council for the time being shall declare his said office vacant, and proceed to fill such vacancy as provided in section eleven of this act.

Sec. 18. Presiding officer of common council.

The Council shall be presided over at its meetings by the Mayor, or in his absence, by one of the Councilmen, chosen by a majority of the Council.

Sec. 19. Record of proceedings of common council, and entries therein; voting by presiding officer.

The Council shall cause to be kept in a well-bound book, an accurate record of its proceedings, bylaws, acts and orders, which shall be fully indexed, and open to the inspection of the citizens of the town. The proceedings of each meeting shall be read and corrected at the succeeding meeting, and signed by the person presiding for the time being. Upon the call of any member, the yeas and nays on any question shall be called and recorded in the journal. The presiding officer may vote as a member of the council, and in all cases of a tie, the person at the time presiding at the council shall have the casting vote.

Sec. 20. Enumerated powers of common council; jurisdiction for one mile beyond corporate limits, except for taxation.

The council shall have power to resurvey said town, and for this purpose may employ a competent engineer, (which officer may be elected by order of the Council), and prescribe his duties, term of office and amount of compensation; to open new streets, and extend, straighten, widen and repair old streets and alleys; to curb and pave streets, sidewalks and gutters for public use, and to alter, improve and light the same; and shall have control of all avenues for public use in said town; to have the same kept in good order and free from obstructions on or over them; to regulate and determine the width of all streets, sidewalks and public alleys; to order and direct the curbing and paving of all sidewalks and footways for public use in said town, to be kept in good order by the owners or occupants of the adjacent property; to control the construction and repairs of all bridges and culverts, the opening and construction of all ditches, drains and gutters; to widen, deepen and clear the same of stagnant water and filth, and to determine at whose expense the same shall be done; to purchase, lay off and appropriate public grounds and control the use of same; to provide, contract for and take care of all public buildings proper to the town; to provide for the regular building of houses, or other structures; to cause the removal of unsafe walls or buildings; to prevent injury or annoyance to the public or individuals, from anything dangerous, offensive or unwholesome; to abate, or cause to be abated, anything which, in the opinion of a majority of the whole council, shall be a nuisance; to regulate the keeping of gunpowder and other combustibles; to provide, in or near the town, place for the burial of the dead, and to regulate interments in the town, and provide for shade and ornamental trees; to provide for the making of division fences, and for draining of lots by proper drains and ditches; to make regulations guarding against danger or damages from fires; to provide for the poor of the town; to organize one or more fire companies, and provide the necessary apparatus, tools, implements, engines, or any of them, for their use; to provide a sufficient revenue for the said town, and appropriate the same to its expenses, and to provide for annual assessments of taxable persons and property in the town; to adopt rules for the trans-

action of business, and for the government and regulation of its own body; to promote the general welfare of the town, and to protect the persons and property of the citizens therein; to appoint such officers as they may deem proper, including a sergeant, treasurer, assessor and overseer of the poor; to define their powers, prescribe their duties, fix their term of service and compensation; require and take from them bonds, with such sureties, and in such penalty, as the council may determine, conditioned for the true and faithful performance of their duties, and remove them at pleasure; (all bonds taken by the Council shall be made payable to the town by its corporate name); to regulate and provide for the weighing and measuring of hay, coal, wood and other articles sold, or for sale, in said town, and to regulate the transportation thereof through the streets; to establish and regulate markets; to prescribe the time for holding the same, and what articles shall be sold only in said markets; to protect places of divine worship; to lay off the town into three or more wards, and to appoint and publish the places of holding town elections; to erect, or authorize or prohibit the erection of gas works or waterworks in or near the town; to prevent injuries to or pollution of the same, or danger to the water and healthfulness of the town; for all which purposes, except that of taxation, the Council shall have jurisdiction for one mile beyond the corporate limits of said town.

Sec. 21. Implementation of powers; fines and penalties; commitment of offenders to county jail.

To carry into effect these enumerated powers, and all others conferred upon the said town or its Council, expressly or by implication, in this or any other acts of the Legislature, the Council shall have power to adopt and enforce all needful orders, bylaws and ordinances, not contrary to the constitution and laws of the State, and to prescribe, impose and enforce reasonable fines and penalties, including imprisonment under judgment and orders of the Mayor of said Town, or the person lawfully exercising his functions; and the council, with the consent of the supervisors of Jackson County, entered of record, may have the right to use the jail of said county, for any purpose necessary to the administration of its affairs.

Sec. 22. Authority of common council as to landings, wharfs, etc., and to appoint wharfmasters and collect duties on vessels using wharfs.²

It shall be lawful for the Council to establish and construct landings, wharves and docks, on any ground which does or shall belong to said town, and to repair, alter or remove any building, wharf or dock which has been or shall be so constructed, and to lay and collect a reasonable duty on vessels coming to or using the same;

2. For a case holding this section to be constitutional and that the state may, by statute (this section) confer upon a municipal corporation the right to authorize the establishment of public wharves and landings within its corporate limits without compensation to the owner of the fee, see *Ravenswood v. Flemings*, 22 W. Va. 52, (1883), discussed with approval in *Barre v. Fleming*, 29 W. Va. 314 (1887) at pages 324 and 325.

and it shall have power to pass and enforce such ordinances as shall be proper, to keep the same in good order and repair; to preserve peace and good order at the same, and regulate the manner in which they shall be used; it shall have power to appoint as many wharfmasters for said town as may appear necessary; to prescribe their duties, fix their fees, and make all regulations in respect to such officers as they may deem proper.

Sec. 23. Annual estimate of expenditures, and order for levy.

The Council shall cause to be annually made up and entered upon its journal, an account and estimate of all sums which ought to be paid within one year, and it shall order a town levy of so much as, in its opinion, is the amount which may be raised from licenses and other sources.

Sec. 24. Persons and property subject to tax levy, and limitation on levies.

The levy so ordered shall be upon all male persons, residents of said Town, over the age of twenty-one years. The Council shall have power to tax all dogs and all real and personal estate within said town subject to State and county taxes; provided, that the tax so levied does not exceed one dollar on every one hundred dollars of value of unimproved lots, (or lots upon which there is no building), and seventy-five cents on every one hundred dollars of value of other real and personal property, or two dollars per head on each taxable person, or two dollars per head on dogs; provided, further, that dogs known as "rat terriers" shall not be taxed.

Sec. 25. Licensing powers of common council; authority of council to prohibit granting of license to sell alcoholic beverages in area for two miles beyond corporate limits.

Whenever anything for which a State license is required, is to be done within said town, the Council may require a town license to be had for doing the same, and may impose a tax thereon for use of the town; and the Council may, in any case, require from the person licensed a bond, with such sureties, and in such penalty, and with such conditions, as it may deem proper, and may revoke such license at any time, if the condition of said bond be broken. And no license to sell strong or spirituous liquors, or wine, beer, ale, porter, or drinks of like nature, within said town, or within two miles of the corporate limits thereof, shall be granted by the supervisors of Jackson County, unless the persons applying therefor shall produce to said supervisors the certificate of the council of said town, of its consent to the granting of such license.

Sec. 26. Powers, duties and liabilities of sergeant.

The Sergeant shall have power to collect the town taxes, fines and levies, and shall have power, one month after he shall have received the books of the assessor of said town, to distrain and sell therefor, in like manner as a sheriff may distrain and sell for State taxes, and shall, in all other respects, have the same powers as a

sheriff to enforce the payment and collection thereof, and the said Sergeant shall have power to exercise, within the corporate limits of said town, all duties that a constable can legally exercise, in regard to the collection of claims, executing and levying process, and he shall be entitled to the same compensation therefor, except in case of the arrest of any person violating any of the ordinances of the Council. Upon the conviction of such person, he shall be entitled to one dollar for such arrest, to be taxed in the costs against the person so convicted; and he and his securities shall be liable to all fines, penalties and forfeitures that a constable is legally liable to, for any failure or dereliction in his said office, to be recovered in the same manner, and before the same courts, that said fines, penalties and forfeitures are now recovered against constables.

Sec. 27. Liens created for town taxes, assessments, fines and penalties; enforcement and priority of liens.

There shall be a lien on real estate within said corporation for the town taxes assessed thereon, from the commencement of the year in which they are assessed, and for all other assessments, fines and penalties assessed or imposed upon the owners thereof by the authorities of said town, from the time the same are so assessed or imposed, which lien shall be enforced by the Council in the same manner as the lien for taxes for county purposes is now enforced; the lien aforesaid shall have priority over all other liens, except for taxes due the state.

Sec. 28. Power of common council to prohibit performances, etc., deemed injurious to morals or good order of town.

The council may prohibit any theatrical or other performance, show or exhibition, which it may deem injurious to the morals or good order of the town.

Sec. 29. Bonds of sergeant and treasurer.

The Council shall have power to require and take from the Sergeant and Treasurer bonds, with sureties satisfactory to the Council, in such penalty as it may deem sufficient, except that as to the Sergeant it shall not be for a penalty less than five thousand dollars; and said bond shall be conditioned for the faithful and true performance of his duties as Sergeant, and for the collecting and accounting for and payment of the taxes, fines and other money of the town which shall come into his hands, or which it shall be his duty to collect, at such times and to such persons as the council may order. The Treasurer's bond shall be conditioned for the faithful performance of his duties as treasurer, and that he will faithfully pay over and account for all money that shall come into his hands as treasurer, when and as he shall be thereto required by the council.

Sec. 30. Powers, duties and compensation of mayor.

The mayor shall be the chief executive officer of the town, and shall take care that all bylaws, ordinances and orders of the council are faithfully executed; he shall be ex officio a conservator and justice of the peace within the town, and shall

within the same exercise all the powers and duties vested in justices, except that he shall have no jurisdiction as such in civil cases; he shall have control of the police of the town, and may appoint special police officers whenever he deems it necessary; and it shall be his duty especially to see that the peace and good order of said town are preserved, and that the persons and property therein are protected; and to this end he may cause the arrest and detention of all riotous and disorderly persons in said town, before issuing his warrant therefor; he shall have power to issue executions for all fines, penalties and costs imposed by him, or he may require the immediate payment thereof, and in default of such payment, he may commit the party in default to the jail of Jackson County, until the fine or penalty and costs be paid, to be employed during the term of his imprisonment, which, in such case, shall not exceed thirty days. He shall from time to time recommend to the council such measures as he may deem needful to the welfare of the town. He shall receive a compensation for his services, to be fixed by the council, which shall not be increased or diminished during the term for which he was elected.

Sec. 31. Powers, duties and compensation of recorder.

The duty of the Recorder shall be to keep the journal of the proceedings of the council, and have charge of and preserve the records of the town; he shall attend the Mayor in all examinations, receive and issue his orders, swear witnesses and perform all the duties of a clerk in the council and mayor's court; he shall receive a compensation for the services, to be fixed by the council, which shall not be increased or diminished during the term for which he shall have been elected.

Sec. 32. Additional powers, duties and liabilities of sergeant; compensation of sergeant.

It shall be the duty of the town sergeant to collect the taxes, fines and other income and revenue of the town, so specified in his bond, and to account and pay the same to the treasurer at such time as the council may order, and it shall be his duty at least once in every six months, during his continuance in office, and oftener if fines and other claims in his hands for collection, and return a list of such as he shall have been unable to collect by reason of insolvency, to which list he shall make oath that he has used due diligence to collect the same but has been unable to do so. The council shall, if it be satisfied he could not have collected the said claim by use of due diligence, allow them. But if the council shall be of the opinion that, by the use of due diligence on the part of said sergeant, he could have collected the said claims or any part of them, then he shall be charged with such as he might have collected. The said sergeant shall do and perform all the other acts pertaining to the office of sergeant of a corporation and of a public officer and constable within said town, and as such shall have the same powers, duties, fees and liabilities as are by law prescribed to a constable. He shall, for his services, receive such compensation as shall be fixed by the council.

Sec. 33. Payment of town monies to treasurer, and disbursement thereof.

All moneys belonging to said town shall be paid over to the treasurer, none of which shall be paid out by him except as the same shall have been apportioned and ordered to be paid by the council, and the said treasurer shall pay the same upon the certificate of the recorder, or, in his absence, upon the certificate of the mayor.

Sec. 34. Recourse of town upon failure of treasurer to account for and pay over town money.

If the said treasurer shall fail to account for and pay over all or any moneys that shall come into his hands, when thereto required by the council, it shall be lawful for the council, in the corporate name of the town, by motion before the circuit court of Jackson County, after ten days previous notice, to recover from the treasurer and his sureties or their personal representatives, any sum that may be due from said treasurer to said town.

Sec. 35. Recourse of town upon failure of sergeant to collect account for town revenues.

If the sergeant shall fail to collect, account for and pay over all the taxes, fines and other revenue of the town in his hands for collection, according to the conditions of his bond, it shall be lawful for the council to recover the same by motion, in the corporate name of the town, before the said circuit court, after ten days' notice, against the said sergeant and his sureties, or any or either of them, his or their executors or administrators.

Sec. 36. Exemption of town and taxable persons and property therein from expenses and liability in certain cases.

The said town and the taxable persons and property therein shall be exempt from all expense or liability for the construction or repairs of roads or bridges, or other taxes for county or township purposes, except free school tax, outside the corporate limits of said town, for any year in which it shall appear that said town shall, at its own expense, provide for its own poor and keep its streets in order.

Sec. 37. Saving provisions.

All rights, privileges and properties of said town heretofore acquired and possessed, owned and enjoyed by any act now in force, shall continue undiminished and remain vested in said town under this act; and all laws, ordinances, acts and resolutions of council, now in full force, and not inconsistent with this act, shall be and continue in full force and effect until regularly repealed by a council elected as provided under this act.

Sec. 38. Division of town into wards; ward regulations; elections within wards.

The council shall divide said town into wards as soon as may be after taking control thereof, having regard to territory and population and streets of the town, and shall adopt all needful and just ward regulations, whether general or special, for the good of the citizens thereof; it shall authorize street expenditures in the several wards, as equity and justice shall demand, and may authorize the collection of a special tax in any ward of the town for a specified purpose within such ward, when requested so to do by a majority of the voters thereof; shall regulate the suffrage of said town, so that voters of each ward may have a voting place therein, and shall appoint proper officers to attend each place of voting, who shall make return of the votes there taken, in such manner and at such time as the council may prescribe. Whenever, in the opinion of the council, it becomes necessary to lay off said town into more than three wards the said council shall so lay it off and apportion the councilmen of said town so that each ward shall be equally represented in the council, and may increase or diminish the number of councilmen.

Sec. 39. Employment and safekeeping of city prisoners, etc.

The council shall provide for the employment and safekeeping of persons who may be committed for default in payment of fines, penalties or costs under this act, and who are otherwise unable to discharge the same, by putting them to work for the benefit of the town; shall keep on hand an ample supply of necessary material for the same, and shall provide all necessary tools, implements, fixtures and facilities for the immediate employment of any and all such persons; shall fix a reasonable rate per diem as wages to be allowed every such person till such fine and costs against him are discharged, and the recorder shall keep an account of all fines and penalties so collected and expended.

Sec. 40. Charter always subject to modification or repeal by legislature.

This act shall at all times be subject to modification or repeal at the pleasure of the Legislature.

Sec. 41. Oath of office of all town officers.

All of the officers of said corporation shall take the oath required by chapter one hundred and six, of the acts of eighteen hundred and sixty-three.

I hereby certify that the foregoing is a true and correct copy of the original on file in my office.

Given under my hand this 28th day of Oct 19 91.

Joan Turan
City Clerk

Ravenswood - Administration

Fax Note	7871	Date	# of pages ▶
	<i>Milton</i>	From	<i>Joan</i>
		Co.	
	56-8257	Phone #	304-273-2621
	53-8181	Fax #	273-2603

(1970 Code, § 2-34)

Charter reference:

Powers and duties of the Mayor, see Charter, § 30

Statutory reference:

Powers and duties of Mayors of municipal corporations, see W.V. Code, § 8-10-1

§ 32.05 RECORDER TO BE PAID FOR EACH REGULAR OR SPECIAL COUNCIL MEETING ATTENDED.

The Recorder shall be paid the sum of \$75 for each Council meeting, regular or special, attended.

(1970 Code, § 2-33) (Ord. passed 4-20-2004)

Statutory reference:

Powers and duties of Recorder generally, see W.V. Code, § 8-10-3

§ 32.06 DEPUTY RECORDER.

The City Clerk shall be Deputy Recorder for all purposes except:

- (A) Exercising any power or authority of the office of Mayor whenever the Mayor is unable, because of illness or absence from the city, to perform the duties of such office;
- (B) Voting in the Common Council at any time;
- (C) Countersigning checks, drafts or warrants drawn against the City Treasury or any depository of the city.

(1970 Code, § 2-34)

§ 32.07 CITY CLERK.

The City Clerk shall be custodian of all city records, books, documents, correspondence and other instruments and papers for which the custody is not otherwise provided, and he shall certify to all true copies thereof for persons entitled thereto by law and shall charge therefor such fees as may be prescribed by resolution or order of the Common Council. The City Clerk shall issue all city licenses and permits, except as may be provided otherwise; he shall serve as recording secretary to the Mayor and the Common Council. The City Clerk may administer oaths and take acknowledgments in all cases wherein an oath or acknowledgment is required by this code or other ordinance or resolution of the Common Council; he shall have such other powers and perform such other duties as may be provided for the office of City Clerk by state law, this code or other ordinance, resolution or order of the Common Council.

(1970 Code, § 2-35)

§ 32.08 TREASURER; EX OFFICIO TREASURER.

(A) Treasurer.

(1) General.

(a) Except as may be otherwise provided herein or by state law, the Treasurer shall collect all taxes, fines, special assessments and other money due the city and shall receive from all city officers and employees money paid to them for the city, and all city money so collected or received by him shall be deposited promptly in the depositories designated for such purpose by the Common Council. He shall not pay out any money of the city except as it shall have been apportioned and ordered by the Common Council to be paid, and he shall sign all checks, drafts and warrants against the city treasury or any depository of the city. The Treasurer shall have such other powers and perform such other duties as may be prescribed for such office by state law, this code or other ordinance, resolution or order of the Common Council.

CITY OF RAVENSWOOD

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

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

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

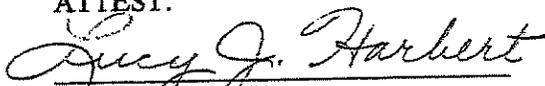
1. Special Meetings. A notice shall be posted by the Recorder or City Clerk at the front door or bulletin board of the City Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

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

THEREFORE BE IT RESOLVED, that the foregoing Resolution was presented to the Common Council of the City of Ravenswood on the 1st day of February 2005. Councilman Robert Dittmar moved "TO ADOPT THE RESOLUTION ON OPEN GOVERNMENTAL PROCEEDING RULES." Councilman Lee Corder seconded the motion. After discussion, the Common Council of the City of Ravenswood voted 6 to 0 to approve the motion with Recorder Lucy Harbert, Councilwoman Judy Wiseman, Councilmen Gary Lawson, Robert Dittmar, Lee Corder, and Jack Greene voting AYE;


Clair Roseberry
Mayor

ATTEST:


Lucy J. Harbert
Recorder

**ORDINANCE OF THE CITY OF RAVENSWOOD TO AMEND SECTION 7
OF THE CHARTER OF THE CITY OF RAVENSWOOD TO MAKE THE
TERM OF ALL ELECTIVE OFFICERS FOUR (4) YEARS**

WHEREAS, Section 6 of the Charter of the City of Ravenswood provides that the term of all elective officers shall be one year;

WHEREAS, Section 6 was previously amended to provide that the term of all elective offices shall be two years and this has been the common practice of the City of Ravenswood as long as any existing employee can remember but there are no records of said amendment;

WHEREAS, the Common Council of the City of Ravenswood desires to amend the Charter of the City of Ravenswood to provide that the term of all elective officers shall be four (4) years and structure the election to allow the municipal election to be held at the same time as the Presidential primary election, which will likely result in the reduction of election costs.

WHEREAS, W.Va. Code § 8-4-8 provides that the Charter of the City may be amended by Ordinance in the event a public hearing is held pursuant to the notice provisions of W.Va. Code § 8-4-8, and no qualified voter or freeholder of the City appears and files objections in writing. In the event no written objections are filed or, if such written objections are filed at the public hearing and withdrawn at the time of the hearing or within ten (10) days thereafter, the Common Council may proceed to adopt the amendment by Ordinance;

WHEREAS, it is the intention of the Common Council that the Ordinance shall be effective at the next regularly scheduled meeting following the ten (10) day waiting period set forth in W.Va. Code § 8-4-8 provided no qualified voter or freeholder of the City appears and files objections in writing and fails or refuses to withdraw the same;

WHEREAS, W.Va. Code § 8-4-8 provides that in the event any qualified voter or freeholder of the City appears at the public hearing and files objections in writing and does not

withdraw the same within ten (10) days of the public hearing, the Common Council may abandon the proposed amendment or submit the proposed amendment, at the next regular municipal election (or a special election by an affirmative vote of two-thirds of the members of the Common Council if other conditions are met);

NOW, THEREFORE, be it ordained by the Common Council of the City of Ravenswood that the Charter of the City of Ravenswood is hereby amended as follows:

Sec. 7. Term of Elective officers.

The term of office for all elective officers shall be (except to fill vacancies and except as provided herein) for four (4) years, and until the successors of any elective officer shall have been elected and qualified as hereinafter provided.

The only exception to this provision is that the first term for elective officers subsequent to the passage of this provision, which shall commence on the first day of July, two thousand and five shall be for a term of three (3) years and shall expire on the 30th day of June, two thousand and eight. The first four (4) year term shall commence on the first day of July, two thousand and eight. It is the intention of the Common Council that the election of municipal officers in two thousand and eight shall coincide with the Presidential primary election.

On the 21st day of December, 2004, the Common Council had a first reading of said Ordinance. At said first reading, the municipal clerk was directed to comply with the notice and hearing provisions of W.Va. Code § 8-4-8. On the 1st day of February, 2005, the Common Council held a public hearing as required by W.Va. Code § 8-4-8 and prior to and/or at the said meeting there were written objections to the term change filed. On the 15th day of February, 2005, the Common Council had a second reading of said Ordinance. Recorder Lucy Harbert moved "TO ADOPT THE ORDINANCE FOR THE CARTER CHANGE TO ALLOW FOR FOUR YEAR TERMS AS PRESENTED." The motion was seconded by Councilman Robert Dittmar and after discussion the Common Council voted 6 to 0 for the motion with Councilmen Robert Dittmar, Lee Corder, Gary Lawson, Jack Greene, Councilwoman Judy Wiseman, and Recorder Lucy Harbert voting AYE:

City of Ravenswood By:

Clair Roseberry
Clair Roseberry, Mayor

ATTEST:

Lucy J. Harbert
Lucy J. Harbert, Recorder

I, the undersigned, being duly appointed, qualified and acting Clerk of the City of Ravenswood hereby certify that the foregoing Ordinance is a true, correct and accurate copy as duly and lawfully passed and adopted by the governing body of the City of Ravenswood on the 15th day of February, 2005.

Joan Turner
Joan Turner, CMC, City Clerk/Treasurer

2005-2008
**City Of Ravenswood
Officials List**

Mayor Lucy J. Harbert	702 Chambers Dr.	273-2293
Recorder Judy K. Wiseman	708 Orchard Dr.	273-9866
Council:		
Katherine R. Garrett	715 McIntosh St.	273-5486
Gary A. Hunt	208 Race St.	273-5058
Gary Lawson	629 Flinn St.	273-3695
Sue Quillen	P O Box 4	273-4041
Bob Staats II	220 Walnut St.	273-0500
City Clerk-Treas. Joan Turner	710 S. Ritchie Ave.	273-2850
City Supvr. Roger Stoffel	P O Box 151	273-0320
Atty. James P. McHugh	One Union Square, Suite 201 Charleston, WV 25302	895-3737 Office: 720-2434
Police Chief W.G. Sinnett	1004 Henry St.	273-4560
Bldg. Inspector Roy Boggess	708 Ashton St.	273-4654
Fire Chief Terry Drennen	106 Gallatin St.	273-3840

WE, THE UNDERSIGNED, DO SOLEMNLY SWEAR THAT WE WILL UPHOLD AND SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT WE WILL TRULY, FAITHFULLY AND IMPARTIALLY DISCHARGE THE RESPECTIVE DUTIES OF THE OFFICE OF MAYOR, RECORDER OR COUNCIL PERSON OF THE SAID CITY OF RAVENSWOOD, WEST VIRGINIA, AS SET OPPOSITE OUR NAMES, TO THE BEST OF OUR SKILL AND JUDGEMENT, SO HELP US GOD.

Lucy J. Harbert	<u>Lucy J. Harbert</u>	Mayor
Judy K. Wiseman	<u>Judy K. Wiseman</u>	Recorder
Gary A. Hunt	<u>Gary A. Hunt</u>	Councilman
Bob Staats II	<u>Bob Staats II</u>	Councilman
Katherine R. Garrett	<u>Katherine R. Garrett</u>	Councilman
Sue Quillen	<u>Sue Quillen</u>	Councilman

SWORN AND SUBSCRIBED TO THIS 27TH DAY OF JUNE, 2005, I, Jim McHugh, City Attorney for the City of Ravenswood, DO HEREBY SOLEMNLY SWEAR THAT THE ABOVE OATH WAS GIVEN AND THE SIGNATURES AFFIXED THEREUNTO IN MY PRESENCE.

Jim McHugh

SWORN AND SUBSCRIBED TO THIS THE 27TH DAY OF JUNE, 2005, I, Joan Kay Turner, Notary Public in the State of West Virginia, do hereby certify that the above oath was given and the signatures were affixed thereunto in my presence. Given under my hand this 27th day of June, 2005.

Joan Turner
Notary Public

My Commission expires January 26, 2014.



I, Gary Lawson, DO SOLEMNLY SWEAR THAT I WILL UPHOLD AND SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL TRULY, FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF THE OFFICE OF COUNCILMAN OF THE SAID CITY OF RAVENSWOOD, WEST VIRGINIA, AS SET OPPOSITE MY NAME, TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

Gary Lawson

Gary Lawson Councilman

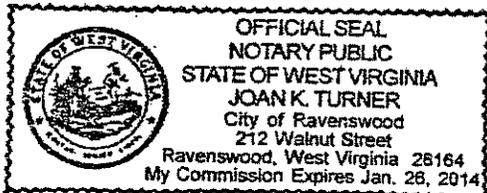
SWORN AND SUBSCRIBED TO THIS 5TH DAY OF JULY, 2005, I, Jim
McHugh, City Attorney for the City of Ravenswood, DO
HEREBY SOLEMNLY SWEAR THAT THE ABOVE OATH WAS GIVEN AND THE SIGNATURE
AFFIXED THEREUNTO IN MY PRESENCE.

Jim McHugh

SWORN AND SUBSCRIBED TO THIS THE 5TH DAY OF JULY, 2005, I, Joan K.
Turner, Notary Public in the State of West Virginia, do hereby certify
that the above oath was given and the signatures were affixed thereunto
in my presence. Given under my hand this 5th day of July, 2005.

Joan K. Turner
Notary Public

My Commission expires January 26, 2014.





CITY OF RAVENSWOOD

AN ORDINANCE SETTING FORTH WATER RATES, CONNECTION CHARGES, RECONNECTION CHARGES, DELAYED PAYMENT PENALTY AND OTHER CHARGES FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTEM OF THE CITY OF RAVENSWOOD.

THE CITY COUNCIL OF THE CITY OF RAVENSWOOD HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for water services provided to all general domestic, commercial, and industrial users and customers of the City of Ravenswood Municipal Waterworks System, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

SECTION I. SCHEDULE OF RATES, CHARGES AND PENALTIES

APPLICABILITY

Available in entire territory served

AVAILABILITY OF SERVICE

Available for general, domestic, commercial and industrial service and sales for resale

RESIDENTIAL

First	2,000 gallons used per month	\$4.69 per 1,000 gallons
All Over	2,000 gallons used per month	\$2.69 per 1,000 gallons

COMMERCIAL

First	2,000 gallons used per month	\$4.69 per 1,000 gallons
All Over	2,000 gallons used per month	\$2.62 per 1,000 gallons

INDUSTRIAL

Rate per 1,000 gallons used per month	\$1.99 per 1,000 gallons
---------------------------------------	--------------------------

RESALE

Rate per 1,000 gallons used per month	\$1.23 per 1,000 gallons
---------------------------------------	--------------------------

MINIMUM CHARGE

Residential Bills

5/8	inch meter	\$ 9.38
3/4	inch meter	\$ 12.07
1	inch meter	\$ 17.45
1-1/2	inch meter	\$ 30.90
2	inch meter	\$ 47.04
4	inch meter	\$138.50

Commercial Bills

5/8	inch meter	\$ 9.38
3/4	inch meter	\$ 12.00
1	inch meter	\$ 17.24
1-1/2	inch meter	\$ 30.34
2	inch meter	\$ 46.06
4	inch meter	\$135.14

UNMETERED CHARGE BASED ON 4,500 GALLONS PER MONTH

Unmetered Charge	Monthly \$ 16.11
------------------	------------------

DELAYED PAYMENT PENALTY

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

CONNECTION CHARGES

A service connection charge will be required prior to service being given as follows:

5/8	inch meter	\$ 350.00
3/4	inch meter	\$ 400.00
1	inch meter	\$ 500.00
1-1/2	inch meter	\$ 700.00
2	inch meter	\$ 950.00
4	inch meter	\$1,200.00

WATER DISCONNECT - RECONNECTION FEES

Whenever water service has been disconnected, a disconnection fee of \$35.00 shall be charged. Whenever water service has been previously disconnected is reconnected, a reconnection fee of \$35.00 shall be charged.

RETURNED CHECK CHARGE

Whenever a check is returned for insufficient funds, a service charge of \$25.00 or the actual cost to the utility, whichever is less, shall be charged.

SECURITY DEPOSIT

§ 16.11

A refundable security deposit of 1/12th of the estimated annual charge of \$16.11 shall be required prior to service being connected or reconnected. Said deposit will be refunded with interest as stated in the rules after 12 consecutive months of on time payments.

INCREMENTAL LEAK FEE

An incremental leak fee of \$0.29 per 1,000 gallons shall be charged.

SECTION 2. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed, and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

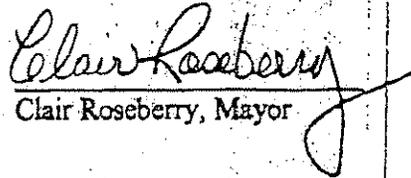
SECTION 3. EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective forty-five (45) days after final enactment hereof, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in The Jackson Herald and The Jackson Star News, qualified newspapers of general circulation in the City of Ravenswood, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on March 1, 2005, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the Recorder, Ravenswood, West Virginia.

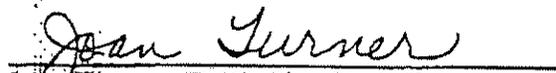
The foregoing Ordinance was introduced and read at meetings of the Common Council of the City of Ravenswood by City Attorney Jim McHugh on February 1, 2005 with the second reading of the proposed Ordinance read by City Attorney Jim McHugh on March 1, 2005. At the March 1st meeting the public was given an opportunity to be heard with no one appearing for or against the Ordinance. Councilman Robert Dittmar moved that "TO ADOPT THE ORDINANCE ESTABLISHING AND FIXING WATER RATES, CONNECTION CHARGES, DELAYED PAYMENT PENALTY AND OTHER CHARGES FOR SERVICE TO CUSTOMERS OF THE WATER WORKS SYSTEM OF THE CITY OF RAVENSWOOD." The motion was seconded by Councilman Gary Lawson and thereupon the Mayor put the question to vote with Recorder Lucy Harbert, Councilmen Robert Dittmar, Gary Lawson, Lee Corder, Jack Greene and Councilwoman Judy Wiseman voting FOR the Ordinance with no recorded NO votes. Thereupon, Mayor Clair Roseberry declared this motion duly passed and the Ordinance adopted on the 1st day of March, 2005.


Clair Roseberry, Mayor

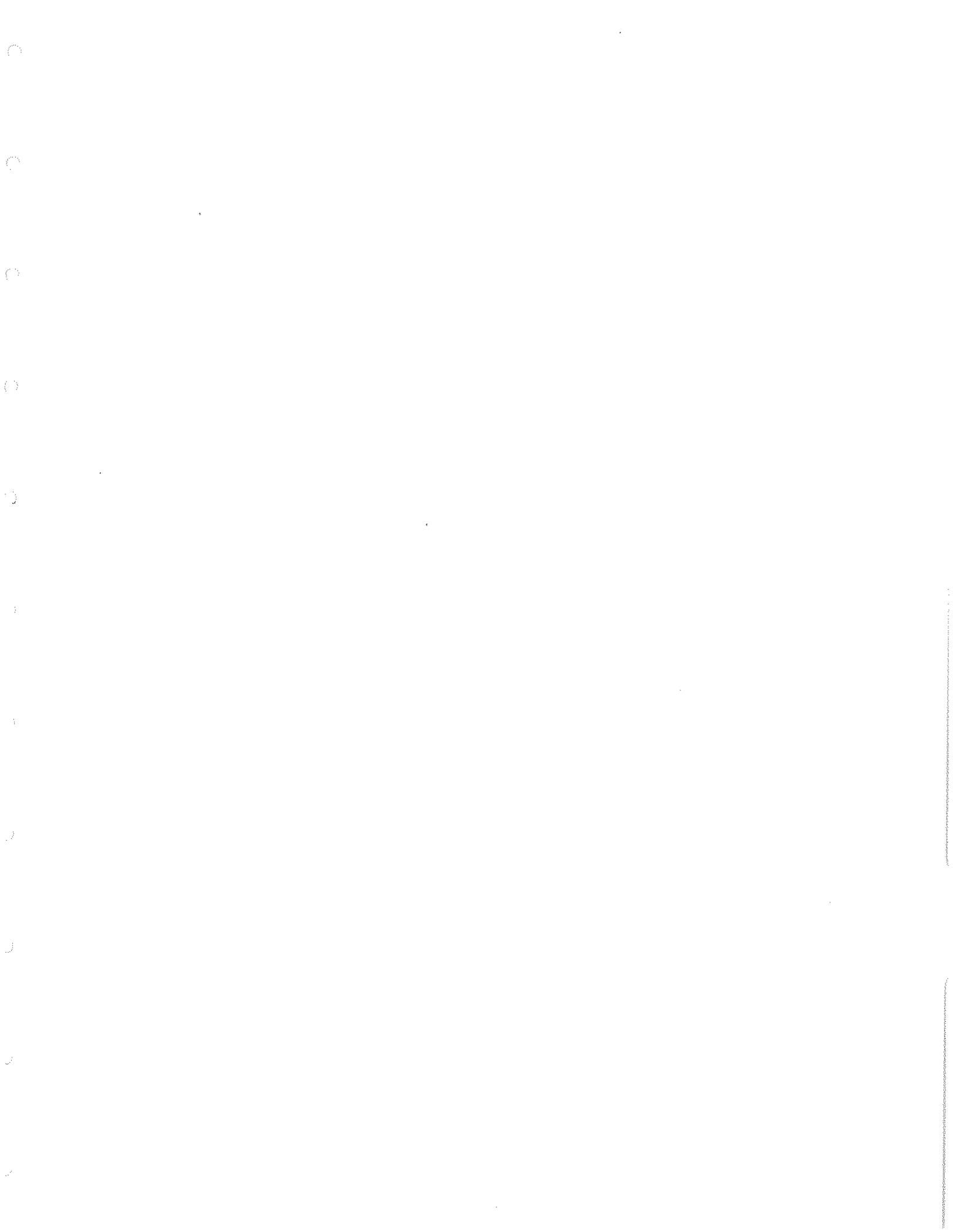
ATTEST:


Lucy J. Harbert, Recorder

I, the undersigned, being duly appointed, qualified and acting Clerk of the City of Ravenswood hereby certify that the foregoing Ordinance is a true, correct and accurate copy as duly and lawfully passed and adopted by the governing body of the City of Ravenswood on the 3rd day of March, 2005.


Joan Turner, CMC, City Clerk/Treasurer

12/24/05
735860.00004



AFFIDAVIT OF PUBLICATION

Cost of Publication # 243.20

State of West Virginia,
County of Jackson, to wit:

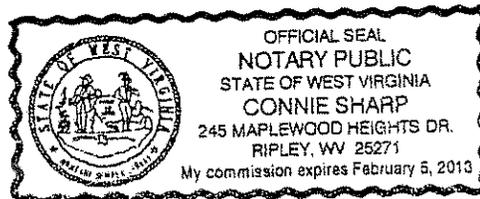
I, Micheal L. Ruben, being first sworn upon my oath, do depose and say that I am publisher of the newspaper entitled THE JACKSON HERALD, a Republican newspaper that I have been duly authorized by the board of directors of such corporation to execute all affidavits of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below: that such newspaper is regularly published once weekly on Tuesday for at least fifty weeks during the calendar year, in the municipality of Ripley, Jackson County, West Virginia; that such newspaper is a newspaper of "general circulation" as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover per issue; that such newspaper is circulated to the general public at a definite price of consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, that the annexed notice of _____

was duly published in said newspaper once a week for 2 successive weeks, commencing with the issue of the 15th day of February, 2005 and ending with the issue of the 22nd day of February, 2005.

Micheal L. Ruben
Micheal L. Ruben, Publisher
The Jackson Herald

Taken, subscribed and sworn to before me in my said county this 22nd day of February, 2005.

Connie Sharp
Notary Public of Jackson County, West Virginia



**NOTICE OF PUBLIC HEARING ON
CITY OF RAVENSWOOD WATER RATE ORDINANCE**

UNMETERED CHARGE BASED ON 4,500 GALLONS PER MONTH
Unmetered Monthly Charge \$16.11

A public hearing will be held on Tuesday, March 1, 2005, at 7:00 p.m. on the Ordinance which has been introduced on February 1, 2005. Any person interested may appear before the City Council of the City of Ravenswood at the City Hall, 212 Walnut Street, Ravenswood, West Virginia, and present any comment or request thereon, following which hearing Council shall take such action as it shall deem proper.

ORDINANCE SETTING FORTH WATER RATES, CONNECTION CHARGES, RECONNECTION CHARGES, DELAYED PAYMENT PENALTY AND OTHER CHARGES FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTEM OF THE CITY OF RAVENSWOOD.

THE CITY COUNCIL OF THE CITY OF RAVENSWOOD HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for water services provided to all general domestic, commercial, and industrial users and customers of the City of Ravenswood Municipal Waterworks System, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

SCHEDULE 1. SCHEDULE OF RATES, CHARGES AND PENALTIES

AVAILABILITY

Available in entire territory served

AVAILABILITY OF SERVICE

Available for general, domestic, commercial and industrial service and services for resale

RESIDENTIAL

Up to 2,000	gallons used per month	\$4.69 per 1,000 gallons
Over 2,000	gallons used per month	\$2.69 per 1,000 gallons

COMMERCIAL

Up to 2,000	gallons used per month	\$4.69 per 1,000 gallons
Over 2,000	gallons used per month	\$2.62 per 1,000 gallons

INDUSTRIAL

Up to 1,000	gallons used per month	\$1.99 per 1,000 gallons
-------------	------------------------	--------------------------

RETAIL

Up to 1,000	gallons used per month	\$1.23 per 1,000 gallons
-------------	------------------------	--------------------------

CONNECTION CHARGE

Residential Bills		
5/8	inch meter	\$9.38
3/4	inch meter	\$12.07
1	inch meter	\$17.45
1-1/2	inch meter	\$30.34
2	inch meter	\$47.04
4	inch meter	\$138.50
Commercial Bills		
5/8	inch meter	\$9.38
3/4	inch meter	\$12.00
1	inch meter	\$17.24
1-1/2	inch meter	\$30.34
2	inch meter	\$46.06
4	inch meter	\$135.14

DELAYED PAYMENT PENALTY

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

CONNECTION CHARGES

A service connection charge will be required prior to service being given as follows:

5/8	inch meter	\$350.00
3/4	inch meter	\$400.00
1	inch meter	\$500.00
1-1/2	inch meter	\$700.00
2	inch meter	\$950.00
4	inch meter	\$1,200.00

WATER DISCONNECT - RECONNECTION FEES

Whenever water service has been disconnected, a disconnection fee of \$35.00 shall be charged. Whenever water service has been previously disconnected is reconnected, a reconnection fee of \$35.00 shall be charged.

RETURNED CHECK CHARGE

Whenever a check is returned for insufficient funds, a service charge of \$25.00 or the actual cost to the utility, whichever is less, shall be charged.

SECURITY DEPOSIT

\$16.11 A refundable security deposit of 1/12th of the estimated annual charge of \$16.11 shall be required prior to service being connected or reconnected. Said deposit will be refunded with interest as stated in the rules after 12 consecutive months of on time payments.

AFFIDAVIT OF PUBLICATION

Cost of Publication _____

State of West Virginia,
County of Jackson, to wit:

I, Gregory S. Matics, being first sworn upon my oath, do depose and say that I am publisher of the newspaper entitled THE JACKSON STAR NEWS, a Democratic newspaper that I have been duly authorized by the board of directors of such corporation to execute all affidavits of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published once weekly on Wednesday for at least fifty weeks during the calendar year, in the Municipality of Ravenswood, Jackson County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover per issue; that such newspaper is circulated to the general public at a definite price of consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, that the annexed

~~notice of~~ NOTICE OF PUBLIC HEARING CITY OF RAVENSWOOD
WATER RATE ORDINANCE

was duly published in said newspaper once a week for 2 successive weeks, commencing

with the issue of the 17th day of February 20 05

and ending with the issue of the 24th day of February 05 (and

was posted at the _____

on the _____ day of _____, 20 _____).

Is: Gregory S. Matics

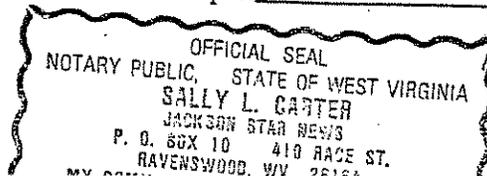
Gregory S. Matics, Publisher.
The Jackson Star News

Take, subscribed and sworn to before me in my said county this 24th

day of February, 20 05.

My commission expires

July 17, 2011



Sally L. Carter
Notary Public of Jackson County,
West Virginia

**NOTICE OF PUBLIC HEARING ON
CITY OF RAVENSWOOD WATER RATE ORDINANCE**

A public hearing will be held on Tuesday, March 1, 2005, at 7:00 p.m. on the following ordinance which has been introduced on February 1, 2005. Any person interested may appear before the City Council of the City of Ravenswood at the City Hall, 212 Walnut Street, Ravenswood, West Virginia, and present any comment or protest thereto. Following which hearing Council shall take such action as it shall deem proper.

AN ORDINANCE SETTING FORTH WATER RATES, CONNECTION CHARGES, RECONNECTION CHARGES, DELAYED PAYMENT PENALTY AND OTHER CHARGES FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTEM OF THE CITY OF RAVENSWOOD.

THE CITY COUNCIL OF THE CITY OF RAVENSWOOD HEREBY ORDAINS: The following rules, rates and charges are hereby fixed, determined and established for water services provided to all general domestic, commercial, and industrial users and customers of the City of Ravenswood Municipal Waterworks System, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

**SECTION 1. SCHEDULE OF RATES, CHARGES AND PENALTIES
APPLICABILITY**

Available in entire territory served.

AVAILABILITY OF SERVICE

Available for general, domestic, commercial and industrial service and sales for resale

RESIDENTIAL

First 2,000	gallons used per month	\$4.69 per 1,000 gallons
All Over 2,000	gallons used per month	\$2.69 per 1,000 gallons

COMMERCIAL

First 2,000	gallons used per month	\$4.69 per 1,000 gallons
All Over 2,000	gallons used per month	\$2.62 per 1,000 gallons

INDUSTRIAL

Rate per 1,000	gallons used per month	\$1.99 per 1,000 gallons
----------------	------------------------	--------------------------

RESALE

Rate per 1,000	gallons used per month	\$1.23 per 1,000 gallons
----------------	------------------------	--------------------------

MINIMUM CHARGE

Residential Bills		
5/8 inch meter		\$9.38
3/4 inch meter		\$12.07
1 inch meter		\$17.45
1-1/2 inch meter		\$30.34
2 inch meter		\$47.04
4 inch meter		\$138.50
Commercial Bills		
5/8 inch meter		\$9.38
3/4 inch meter		\$12.00
1 inch meter		\$17.24
1-1/2 inch meter		\$30.34
2 inch meter		\$46.06
4 inch meter		\$135.14

UNMETERED CHARGE BASED ON 4,500 GALLONS PER MONTH

Unmetered Monthly Charge	\$16.11
--------------------------	---------

DELAYED PAYMENT PENALTY

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

CONNECTION CHARGES

A service connection charge will be required prior to service being given as follows:

5/8 inch meter	\$350.00
3/4 inch meter	\$400.00
1 inch meter	\$500.00
1-1/2 inch meter	\$700.00
2 inch meter	\$950.00
4 inch meter	\$1,200.00

WATER DISCONNECT - RECONNECTION FEES

Whenever water service has been disconnected, a disconnection fee of \$35.00 shall be charged. Whenever water service has been previously disconnected is reconnected, a reconnection fee of \$35.00 shall be charged.

RETURNED CHECK CHARGE

Whenever a check is returned for insufficient funds, a service charge of \$25.00 or the actual cost to the utility, whichever is less, shall be charged.

SECURITY DEPOSIT

\$16.11 A refundable security deposit of 1/12th of the estimated annual charge of \$16.11 shall be required prior to service being connected or reconnected. Said deposit will be refunded with interest as stated in the rules after 12 consecutive months of on time payments.

INCREMENTAL LEAK FEE

An incremental leak fee of \$0.29 per 1,000 gallons shall be charged.

SECTION 2. SEPARABILITY. REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by the West Virginia Public Service Commission or any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 3. EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective forty-five (45) days after final enactment hereof, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in The Jackson Herald and The Jackson Star News, qualified newspapers of general circulation in the City of Ravenswood, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on March 1, 2005, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the Recorder, Ravenswood, West Virginia.

First Reading February 1, 2005

Second Reading _____

CITY OF RAVENSWOOD, a municipal corporation

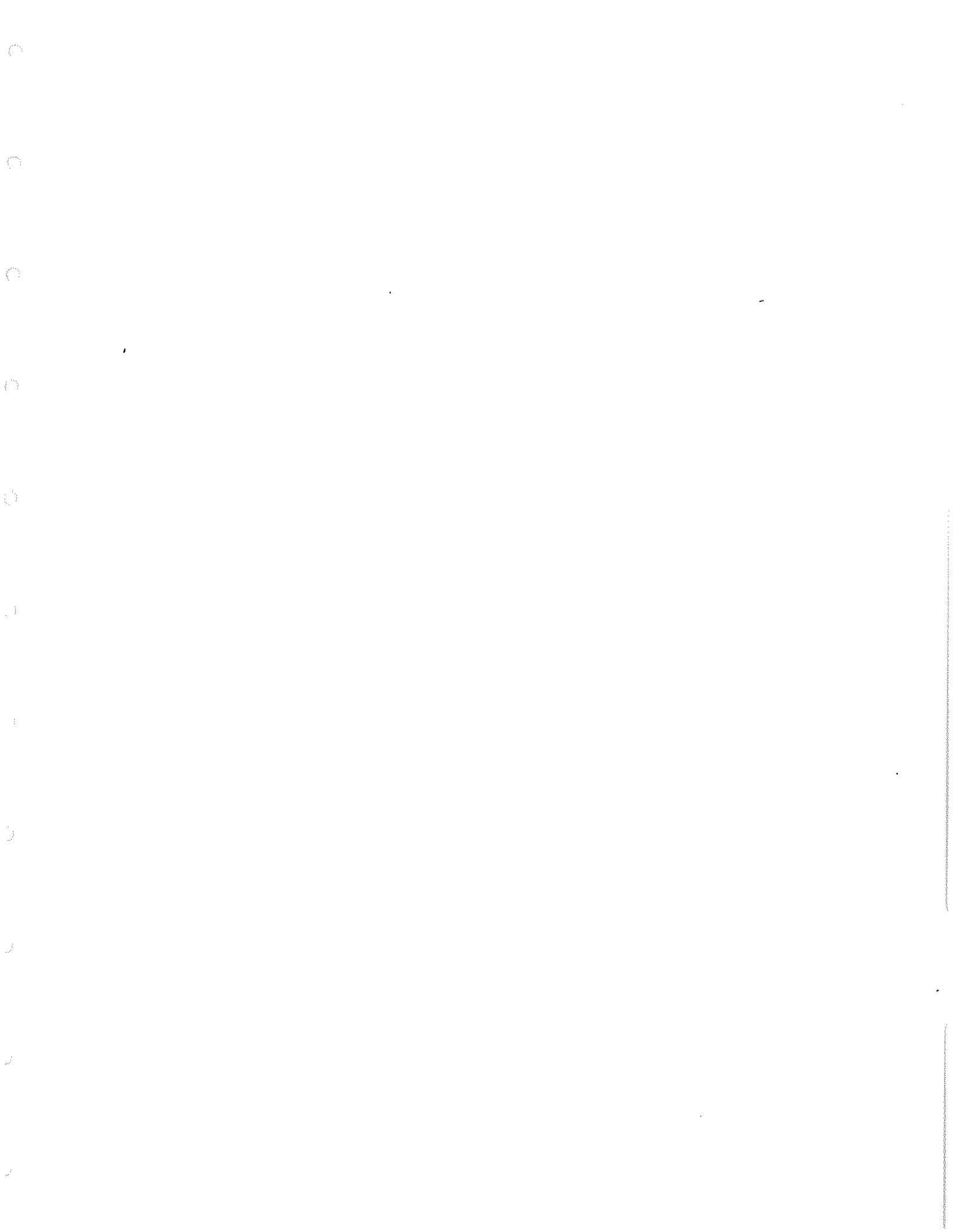
Mayor _____

Recorder _____

CERTIFICATION AND NOTICE

Thereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the City Council of the City of Ravenswood held on February 1, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the City Council of the City of Ravenswood at the City Hall, 212 Walnut Street, Ravenswood, West Virginia, on Tuesday, March 1, 2005, at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Recorder in the City Hall, 212 Walnut Street, Ravenswood, West Virginia during regular office hours.

Lucy J. Harbert
Recorder



State of West Virginia
County of Jackson
City of Ravenswood - to wit:

The Common Council of the City of Ravenswood met in regular session on Tuesday, Feb. 1st, 2005 at 7:00 p.m. in the Council Chambers at City Hall. Mayor Roseberry called the meeting to order. Recorder Harbert, Councilmembers Corder, Dittmar, Greene, Lawson and Wiseman and Atty. McHugh were present.

Mayor Roseberry gave the invocation and Councilman Corder led the pledge of allegiance.

Council had received a copy of the minutes of the meeting of Jan. 18th, 2005. Recorder Harbert moved "TO APPROVE THE MINUTES OF JANUARY 18TH MEETING AS WRITTEN." Councilman Greene seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

This was a public hearing on a proposed Ordinance of the City to amend Section 7 of the City Charter to make the term of all elected officers to be four years instead of two. The City had received ten written objections to the four year terms from residents. Katherine Garrett stated that she felt that the residents should have a vote on the matter. John Alderson asked about having the divided into wards for better representation for some areas of town. Council discussed the four year terms and Atty. McHugh stated that in light of the submitted objections, the matter will be submitted to the voters for their decision in June.

Lise Sibicky and Alana Slack of Burgess & Niple and Phil Postlewait, CPA were present to discuss the sewage treatment plant upgrade project. They also discussed the sewage project to Jackson Crossing. The sewer plant upgrade should be ready to submit by late spring. This upgrade is necessary to comply with the permit limits for operation of the lagoon. Mr. Postlewait stated that the City is looking for the best financing package in order to keep the rates as low as possible. The PSC processes will probably extend through late 2005 with construction starting in 2006.

City Atty. McHugh read by title, for the first reading an ordinance setting forth water rates, connection charges, delayed payment penalty and other charges for service to customers of the City of Ravenswood Waterworks System. This will be an 18.4% for residents and Silverton PSD will also have an increase and pay for their own share. The water improvement project will upgrade the water plant and the distribution system to allow for more flow of water. Currently 12% of the water pumped is supplied to Silverton. Council discussed the project at some length.

Council discussed Section III-B-1 of an agreement with Burgess & Niple to complete the aerial photography required to design the sewage collection system to Jackson Crossing. The cost of the flyover and the design would be about \$7,500. The City's current sewer and water rates are too low to allow the City to qualify for low interest loans or grants. Various rates were discussed. Recorder Harbert moved "TO GIVE APPROVAL TO PROCEED WITH SECTION III-B-1 OF THE AGREEMENT WITH BURGESS AND NIPLE. Councilman Greene seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Council was given a copy of a resolution on open governmental proceeding rules for the City.

P.M." Councilman Greene seconded the motion with all members present voting AYE, therefore, the Mayor declared the meeting adjourned.

Respectfully submitted by,

Joan Turner, CMC
City Clerk-Treas.

Attest:

Clair Rosenberg
Mayor

Louise Harbert
Recorder

State of West Virginia
 County of Jackson
 City of Ravenswood - to wit:

The Common Council of the City of Ravenswood met in regular session on Tuesday, March 1st, 2005 at 7:00 p.m. in the Council Chambers at City Hall. Mayor Roseberry called the meeting to order. Recorder Harbert, Councilmembers Corder, Dittmar, Greene, Lawson and Wiseman and Atty. McHugh were present.

Mayor Roseberry gave the invocation and Councilman Lawson led the pledge of allegiance.

Council had received a copy of the minutes of the meeting of Feb. 15th, 2005. Recorder Harbert moved "TO APPROVE THE MINUTES OF FEBRUARY 15TH MEETING AS WRITTEN." Councilman Greene seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Councilwoman Wiseman introduced Cole Gurtis, a Ravenswood Middle School student, his parents, Andy and Julie Gurits and his teacher, Mary Beth Hunt. Councilwoman Wiseman informed Council that Cole had gotten first place in the State with his essay. Cole was sponsored by the VFW and their Ladies Auxiliary. Councilwoman Wiseman presented Cole with a Certificate of Recognition on behalf of the City.

This was an advertised public hearing for the proposed water rate ordinance. No one had any protest or comment on the proposed rates.

Brian McCommon from the Parkersburg News, informed Council that the Army 3664th Maintenance Co. has returned from active duty. There will be a ceremony at the Ripley Courthouse at noon on Wednesday, March 9, 2005. There are some Jackson County residents in this unit.

Chief Sinnott reported to Council that he has been working on the Homeland Security Grant funding for about a year. The City is to receive four laptop computers and software, barcode readers, car videos, five vests, night vision goggles, digital cameras, recorders, a new computer and software for the Police office as well as eight security cameras from the Grant funds. The City is going to purchase a security camera for the water plant.

City Clerk-Treas. Turner gave Council a copy of the proposed General Fund Budget for 2005-06. Council discussed setting up a work session and decided on Monday, March 14th at 6:00 p.m. Council also discussed moving the next regular meeting of Council from March 15th to March 22nd. Recorder Harbert moved "TO CHANGE THE NEXT SCHEDULED COUNCIL MEETING FROM TUESDAY, MARCH 15TH TO TUESDAY, MARCH 22ND." Councilman Corder seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Atty. McHugh read by title, for the second reading, an ordinance establishing and fixing water rates, connection charges, delayed payment penalty and other charges for service to customers of the waterworks system of the City of Ravenswood. Councilman Dittmar moved "TO ADOPT THE ORDINANCE ESTABLISHING AND FIXING WATER RATES, CONNECTION CHARGES, DELAYED PAYMENT PENALTY AND OTHER CHARGES FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTEM OF THE CITY OF RAVENSWOOD."

Councilman Lawson seconded the motion with all members present voting AYE; therefore the Mayor declared the motion adopted.

Councilman Corder reported that the City might want to advertise for a mower. He has some bids in the eight to twelve thousand dollar range but if the City were to go with a four wheel mower, it would probably be in the fifteen thousand plus range. Councilwoman Wiseman asked about getting a used mower which has not been used but a couple of times.

Jennifer Fox and Kevin Hall of Fox Engineering were present to give Council a proposed contract for consulting services on the Ravenswood Area Transportation Enhancement-Phase 1 Project. (RATE-1) Mrs. Fox explained the project and asked to have a committee consisting of a City Project Manager and two committee members to be completely empowered by Council to make decisions for the successful completion of RATE-1. City Atty. McHugh stated that Mayor Roseberry should be authorized by Council to appoint such a committee. Mrs. Fox went over their proposed schedule of the project. Recorder Harbert moved "TO AUTHORIZE THE MAYOR TO APPOINT THE THREE MEMBER COMMITTEE FOR THE RATE-1 PROJECT FROM THE RAVENSWOOD DEVELOPMENT AUTHORITY AND CITY COUNCIL." Councilman Corder seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Patrolman Darrell Lott had given his resignation effective March 4, 2005 from the City Police Force. Councilman Greene moved "TO ACCEPT PATROLMAN LOTT'S RESIGNATION EFFECTIVE MARCH 4, 2005." Recorder Harbert seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Mayor Roseberry had given Council a copy of a proposal for Steptoe and Johnson to act as special council to assist the City with the filing of Rule 42 and rate increase for financing the wastewater treatment plant (lagoon) improvements and for a rate increase for financing the sewer collection system to Jackson Crossing. Council discussed the proposal and City Atty. McHugh suggested that it is in the best interests of the City to hire the firm to handle these rate increases. Councilwoman Wiseman moved "TO EMPLOY THE FIRM OF STEPTOE AND JOHNSON TO HANDLE THE RATE INCREASES AND RULE 42 FOR THE WASTEWATER TREATMENT PLANT IMPROVEMENTS AND TO THE SEWER COLLECTION SYSTEM TO JACKSON CROSSING ." Councilman Corder seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Mayor Roseberry had given Council a copy of the letter from Nicholas Freidin, D.Phil. Professor of Anthropology at Marshall University. The sewer project for the wastewater treatment plant improvements and the Jackson Crossing collection system requires that the Phase I archaeological survey be conducted. The City can save some money by hiring this direct instead of going through the engineering firm because of additional insurance requirements. Council discussed the matter and Recorder Harbert moved "TO ACCEPT THE AGREEMENT WITH DR. FREIDIN OF MARSHALL UNIVERSITY TO CONDUCT THE PHASE I ARCHAEOLOGICAL SURVEY FOR THE TWO SEWER PROJECTS." Councilman Lawson seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Councilman Corder reported to Council that he and Supvr. Stoffel had come up with six areas which they are recommending for paving this spring.

Councilman Greene asked how much the sewer increase will be for the two projects and that amount has not been determined completely depending on what Silverton Public Service District does. Council and several persons discussed the sewer projects and possible costs.

There being no further business, Recorder Harbert moved "TO ADJOURN AT 8:01 P.M." Councilwoman Wiseman seconded the motion with all members present voting AYE; therefore, the Mayor declared the meeting adjourned.

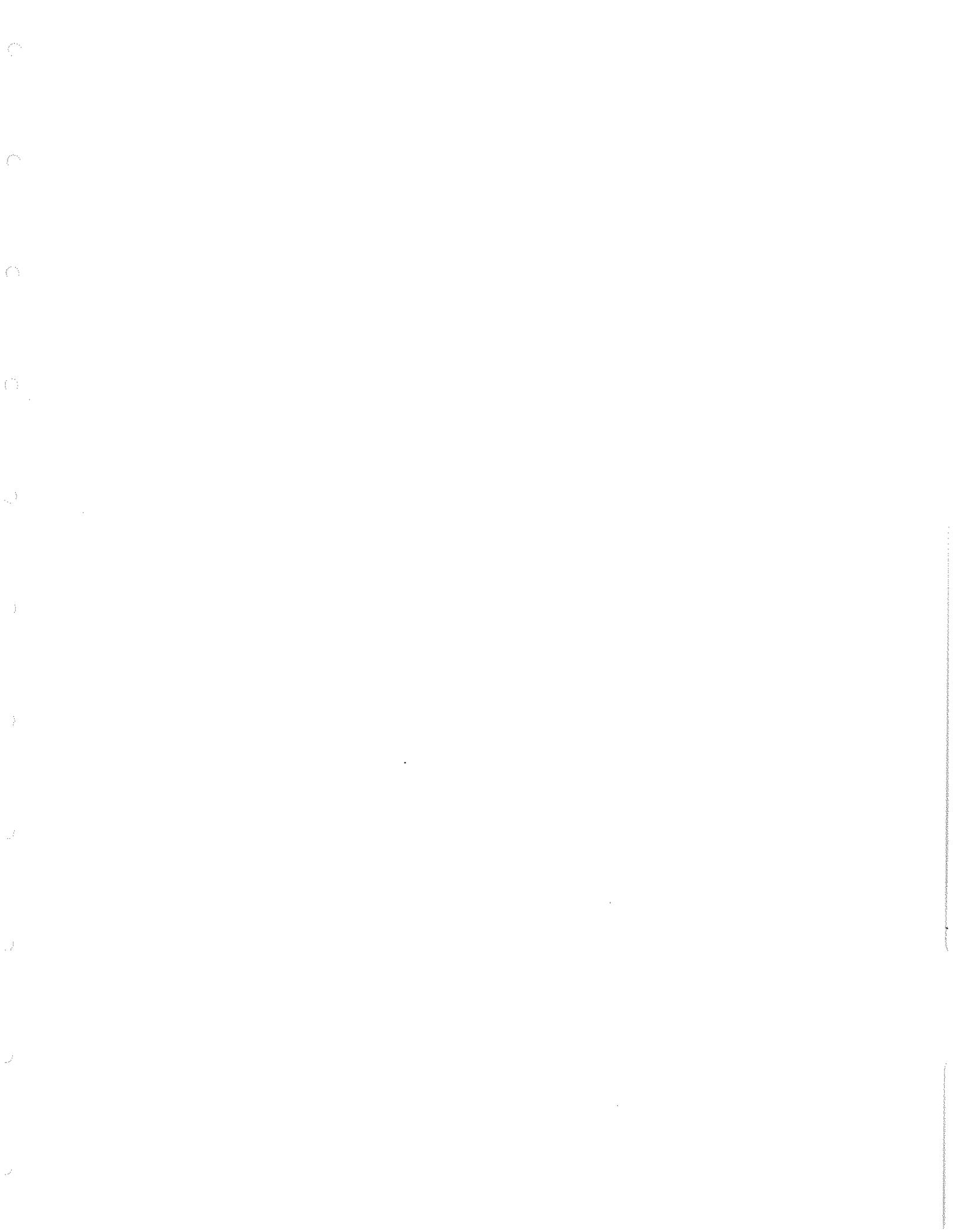
Respectfully submitted by,

Joan Turner, CMC
City Clerk-Treas.

Attest:

Clair Roseberry
Mayor

Lucy J. Harbert
Recorder



PUBLIC NOTICE

NOTICE OF PUBLIC HEARING ON THE CITY OF RAVENSWOOD BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of Ravenswood (the "City") to be held on Tuesday, April 4, 2006, at 7:00 p.m., prevailing time, in the Council Chambers at the City Hall, 212 Walnut Street, Ravenswood, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled: ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF RAVENSWOOD AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$995,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was approved by the Council on March 21, 2006.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide permanent financing of the costs of acquisition and construction of betterments, additions and improvements to the waterworks system of the City and to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the waterworks system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

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

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

Dated: March 23, 2006.

Joan Turner

Clerk

3-23,3-30

AFFIDAVIT OF PUBLICATION

Cost of Publication _____

State of West Virginia,
County of Jackson, to wit:

I, Gregory S. Matics, being first sworn upon my oath, do depose and say that I am publisher of the newspaper entitled THE JACKSON STAR NEWS, a Democratic newspaper that I have been duly authorized by the board of directors of such corporation to execute all affidavits of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published once weekly on Wednesday for at least fifty weeks during the calendar year, in the Municipality of Ravenswood, Jackson County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover per issue; that such newspaper is circulated to the general public at a definite price of consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, that the annexed

NOTICE OF PUBLIC HEARING ON THE CITY OF RAVENSWOOD notice of BOND ORDINANCE

was duly published in said newspaper once a week for 2 successive weeks, commencing

with the issue of the 23rd day of March 2006

and ending with the issue of the 30th day of March 2006 (and

was posted at the _____

on the _____ day of _____, 20 _____.

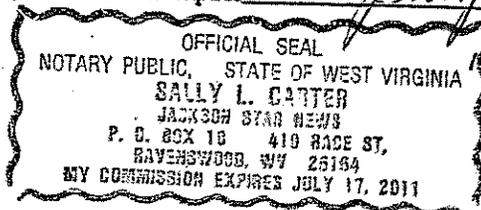
Gregory S. Matics
1st _____

Gregory S. Matics, Publisher,
The Jackson Star News

Take, subscribed and sworn to before me in my said county this 5th

day of April, 2006.

My commission expires July 17, 2011



Sally L. Carter
Notary Public of Jackson County,
West Virginia

CITY OF RAVENSWOOD

Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF
SUPPLEMENTAL RESOLUTION AND FIRST DRAW

I, Judy K. Wiseman, Recorder of the City of Ravenswood (the "City"), hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the City:

* * * * * * * * * * * * * * *

The Council of the City met in regular session, pursuant to notice duly given, on the 18th day of April, 2006, in Ravenswood, West Virginia, at the hour of 7:00 p.m.

PRESENT: Lucy J. Harbert - Mayor
Katherine R. Garrett - Councilmember
Gary A. Hunt - Councilmember
Gary Lawson - Councilmember
Sue Quillen - Councilmember
Bob Staats, III - Councilmember

ABSENT: Judy K. Wiseman - Recorder

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Then, the Mayor presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE CITY OF RAVENSWOOD; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH

BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY; DESIGNATING A REGISTRAR, PAYING
AGENT AND DEPOSITORY BANK; AND MAKING OTHER
PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Mr. Lawson and seconded by Ms. Garrett, it was unanimously ordered that the said Supplemental Resolution be adopted and put into effect immediately.

Then, the Mayor presented a proposed resolution approving the payment of invoices for the water project from proceeds of the Bonds. Thereupon, a motion duly made by Mr. Lawson and seconded by Ms. Garrett, it was unanimously ordered that the said Resolution be adopted and be in full force and effect on and from the date hereof.

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

CERTIFICATION

I further hereby certify that the foregoing action of the Council remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 25th day of April, 2006.



Recorder

04/10/06
735860.00003

State of West Virginia
County of Jackson
City of Ravenswood – to wit:

The Common Council of the City of Ravenswood met in regular session on Tuesday, April 4th, 2006 at 7:00 p.m. in the Council Chambers at City Hall. Mayor Harbert called the meeting to order. City Atty. McHugh and Councilmembers Garrett, Hunt, Lawson, Quillen and Staats and Recorder Wiseman were present.

Recorder Wiseman led the pledge of allegiance and City Atty. McHugh gave the invocation.

Council had received a copy of the minutes of the meeting of Mar. 7th, 2006. Councilwoman Garrett moved "TO APPROVE THE MINUTES OF THE MEETING OF MAR. 21st, 2006 AS WRITTEN." Councilwoman Quillen seconded the motion. All members present voted AYE; therefore, the Mayor declared the motion adopted.

Jack Greene came to Council to report that his vehicle had been stolen from in front of his house in Ravenswood on March 22nd. He reported that he felt that the Police Dept. should be calling him to keep him aware of what they were doing with regard to the case. He also stated that he had done his own investigation and knew who took the vehicle. The matter was discussed and Lt. Crawford informed Council that the Police Dept. is working on the case but cannot disclose any information until an arrest has been made.

Marsha Geyer, of Main Street West Virginia, came to Council to explain the operation of the Main Street program. If Ravenswood were to be accepted into the program, the program must be sponsored by a governmental entity in the amount of \$25,000.00 per year for three years. Ms. Geyer outlined the various services which the program can provide. The program would require a part time program manager of at least twenty hours per week. The next time that applications may be accepted will probably be in January 2007. Governor Manchin will decide on the date.

Shira Tabib, of Laurel Commons apartments, came to give Council another update on the renovations which they are doing at the former Colonial Village complex. Lisa Bush was also present and is the local manager of the apartments.

This was an advertised public hearing as required by Section 147 (f) of the Internal Revenue code of 1986, regarding the proposed issuance of Commercial Development Revenue Bonds by the City of Ravenswood in an aggregate principal amount not to exceed \$1,500,000.00, pursuant to Chapter 13, Article 2C of the Code of West Virginia, for the purpose of financing a portion of the costs of the acquisition, construction, and equipping a community health center to located at 606 Washington St., Ravenswood, Jackson Co., West Virginia, and to consist of a one story building containing approximately, 8,000 square feet and necessary appurtenances and related facilities and equipment, for Wirt County Health Services Association, a West Virginia nonprofit corporation, as initial owner, operator and manager. Camden Siegrist, Atty. with Bowles Rice McDavid Graff & Love LLP, was present to conduct the public hearing as counsel for the City. John Alderson asked about the not to exceed \$1,500,000.00 part and Atty. Siegrist informed Mr. Alderson that the actual bonds will be for \$1,152,000.00. Councilman Staats asked if the project had been put out for bids and was informed that it had been. The interest rate is 4.50% for the first five years. WesBanco is purchasing the bonds. Councilwoman Garrett moved "TO ADOPT THE RESOLUTION OF THE CITY OF RAVENSWOOD APPROVING THE ISSUANCE OF

BONDS FOR THE PURPOSE OF PROVIDING FINANCING FOR CERTAIN FACILITIES BY APPLICABLE ELECTED REPRESENTATIVE.” Recorder Wiseman seconded the motion with members present voting AYE; therefore, the Mayor declared the motion adopted. Councilwoman Garrett moved “TO ADOPT A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$1,500,000.00 IN AGGREGATE PRINCIPAL AMOUNT OF COMMERCIAL DEVELOPMENT REVENUE BONDS FOR THE WIRT COUNTY HEALTH SERVICES ASSOCIATION SERIES 2006.” Councilwoman Quillen seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Donald Underwood had addressed Council about teaching a traffic school in Ravenswood. He is the instructor for the traffic school. Lt. Crawford stated that the school allows a person to lower their points against their driving license or can keep a person from getting additional points for some offenses. Councilwoman Quillen moved “TO APPROVE AN AGREEMENT TO LET DONALD UNDERWOOD CONDUCT TRAFFIC SCHOOL IN RAVENSWOOD AT NO COST TO THE CITY.” Councilwoman Garrett seconded the motion. Council discussed the matter and Mayor Harbert called for the vote with all members present voting AYE; therefore, the Mayor declared the motion adopted. Mr. Underwood will charge a fee to the people who take the classes

Mayor Harbert asked Council to consider constructing a Skate Board Park at the Veterans Memorial Park on Sycamore St. Councilman Lawson moved “TO CONSTRUCT THE SKATE BOARD PARK AT VETERANS MEMORIAL PARK.” Councilman Hunt seconded the motion. Councilwoman Garrett stated that the City was eating away the Veterans Memorial Park and was against putting the skate board park within the Veterans Memorial Park. Councilwoman Quillen agreed with Councilwoman Garrett. Recorder Wiseman asked about the location of the skate board park and it would be between the picnic shelter and behind the right field fence of the baseball field. Council discussed the matter and Recorder Wiseman, Councilmen Hunt, Lawson and Staats voted for the motion with Councilwomen Garrett and Quillen voting no. The majority of the vote being for the motion; the Mayor declared the motion adopted.

The Jackson Co. Development Authority had asked the City to pledge a \$2,000.00 donation for this current fiscal year. Councilman Staats made a motion “TO HAVE MARK WHITLEY OF THE JACKSON COUNTY DEVELOPMENT AUTHORITY TO COME TO THE NEXT COUNCIL MEETING AND MAKE A PRESENTATION TO COUNCIL.” The motion died for lack of a second. Council felt that the Ravenswood Development Authority needed the donation more than the Jackson Co. Development Authority.

Councilwoman Garrett reported to Council that the Building & Grounds Committee was recommending to Council that all city employees pay the full amount for use of the NYA Hall and Community Building instead of having a reduced fee. Councilwoman Garrett moved “TO CHARGE ALL CITY EMPLOYEES THE FULL RATES FOR RENTAL OF THE COMMUNITY BUILDING AND/OR THE NYA HALL EFFECTIVED APRIL 4, 2006.” Recorder Wiseman seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

The City had received a bid for swimming pool renovation in the amount of \$247,987.08 from Renosys. Councilman Lawson moved “TO AWARD THE BID TO RENOSYS FOR THE SWIMMING POOL RENOVATION IN THE AMOUNT OF \$247,987.08.” Councilwoman Quillen seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Council had a copy of a resolution for adopting and approving the forms and documents for the City's application for a WV Housing Development Loan in the amount of \$2,000,000. for the KS/AK/Jackson Crossing Sewer project. Recorder Wiseman moved "TO ADOPT THE RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF CERTAIN FORMS AND DOCUMENTS IN SUPPORT OF ITS APPLICATIONS FOR A WEST VIRGINIA HOUSING DEVELOPMENT FUND LOAN IN THE AMOUNT OF \$2,000,000 FOR THE KS/AK/JACKSON CROSSING SEWER EXTENSION AND AUTHORIZING THE MAYOR TO EXECUTE THE REQUIRED FORMS AND DOCUMENTS ON ITS BEHALF."

Councilwoman Garrett seconded the motion with Recorder Wiseman, Councilmembers Garrett, Hunt, Lawson, and Quillen voting AYE. Councilman Staats voted NO. The majority of the vote being AYE, the Mayor declared the motion adopted.

Council had also been given a copy of a resolution authorizing the Mayor to sign retention agreements for special PSC Counsel and Bond Counsel in connection with the execution of bond anticipation notes for the KS/AK extension project and special PSC Counsel and Bond Counsel for water revenue bonds Series 2005A from the WV Infrastructure Funds for the water project. The special Counsel is John Stump with the law firm of Steptoe & Johnson. Councilwoman Garrett moved "TO ADOPT THE RESOLUTION OF THE CITY OF RAVENSWOOD TO AUTHORIZE THE MAYOR TO SIGN RETENTION AGREEMENTS FOR SPECIAL PSC COUNSEL AND BOND COUNSEL IN CONNECTION WITH THE EXECUTION OF BOND ANTICIPATION NOTES FOR THE KS/AK EXTENSION PROJECT AND SPECIAL PSC COUNSEL AND BOND COUNSEL FOR WATER REVENUE BONDS SERIES 2005A FROM THE WEST VIRGINIA INFRASTRUCTURE FUNDS FOR THE WATER PROJECT."

Recorder Wiseman seconded the motion with Councilmembers Garrett, Hunt, Lawson, Quillen and Recorder Wiseman voting AYE. Councilman Staats voted NO. The majority of the vote being for the motion, the Mayor declared the motion adopted.

Council had a copy of a resolution approving the transfer of the cable television franchise from Charter Communications to Cebridge Connections. City Atty. McHugh informed Council that he had reviewed the document and recommended to Council that the resolution be approved. Councilwoman Quillen moved "TO APPROVE THE RESOLUTION APPROVING THE TRANSFER OF THE CABLE TELEVISION FRANCHISE FROM CHARTER COMMUNICATIONS TO CEBRIDGE CONNECTIONS." Councilman Lawson seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted. Atty. McHugh is to write a letter to the cable company with regard to the franchise fees which are on the local cable bills and who is receiving the fees.

This was an advertised public hearing for the proposed Water Revenue Bonds, Series 2006A. There was no one present to speak for or against the bonds. John Stump, Atty. of Steptoe and Johnson, was present and informed Council that the bonds are for 20 years at 3%. City Atty. McHugh read by title for the third and final reading, an Ordinance authorizing the acquisition and construction of certain extensions, additions, betterments and improvements to the existing public waterworks facilities of the City of Ravenswood and the financing of the cost thereof, not otherwise provided, through the issuance by the City of not more than \$995,000. in original aggregate principal amount of Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund). Councilman Lawson moved "TO ADOPT THE ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE CITY OF RAVENSWOOD AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED THROUGH THE ISSUANCE BY

THE CITY OF NOT MORE THAN \$995,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOUCUMENTS RELATING TO THE ISSURANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO." Councilwoman Garrett seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted. The water improvement project should be ready to start by the end of April.

A resolution approving invoices relating to construction and other services for the proposed water project and authorizing payment thereof in the amount of \$106,200 was deferred to the next Council meeting at the request of Atty. Stump.

Council had received bids for new baseball field lights at the Wright Field. Councilwoman Quillen moved "TO AWARD THE BID TO AEP IN THE AMOUNT NOT TO EXCEED \$90,000 FOR THE NEW BASEBALL FIELD LIGHTS." Councilman Hunt seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Councilwoman Garrett voiced her concern over the need to hire another water plant operator to assist Vince Cambarare as the other operator is quitting. Mayor Harbert stated that she and Suvpr. Flinn have been looking at the applications with that in mind. The Mayor, Councilmen Hunt and Lawson and Supvr. Flinn will be meeting next week to look at the applications.

Councilwoman Quillen suggested that Council consider dissolving the committees of Council and work as a group with everyone working together. Councilman Staats stated that Council should be very attentive to the open meeting laws.

Councilman Staats encouraged Council to support the Main Street Program. Councilman Staats also gave the Mayor a check for \$25. for the swimming pool project and a check for \$25. for the baseball lights. Councilman Staats stated that he could not keep the \$50. for the special council meeting and thus was giving it back through the two donations.

There being no further business, Councilman Lawson moved "TO ADJOURN AT 8:21 P.M." Councilwoman Garrett seconded the motion with all members present voting AYE; therefore, the Mayor declared the meeting adjourned.

Respectfully submitted by,

Joan Turner, CMC
City Clerk-Treas.

Attest:

Mayor

Recorder

State of West Virginia
County of Jackson
City of Ravenswood -- to wit:

The Common Council of the City of Ravenswood met in regular session on Tuesday, March 21st, 2006 at 7:00 p.m. in the Council Chambers at City Hall. Mayor Harbert called the meeting to order. City Atty. McHugh and Councilmembers Garrett, Hunt, Lawson, Quillen and Staats and Recorder Wiseman were present.

Councilman Staats led the pledge of allegiance and City Atty. McHugh gave the invocation.

Council had received a copy of the minutes of the meeting of Mar. 7th, 2006. Councilwoman Garrett moved "TO APPROVE THE MINUTES OF THE MEETING OF MAR. 7th, 2006 AS WRITTEN." Councilwoman Quillen seconded the motion. All members present voted AYE; therefore, the Mayor declared the motion adopted.

Mark Lemley, Ethel Lemley, Mike Kelly, Brian Nutter and several young men were present with regard to the rental of the NYA Hall by rock bands. Mark asked if the City had decided to prohibit rock bands from renting the NYA Hall. Mayor Harbert stated that there had been a problem with the conduct at some of the dances. Councilwoman Garrett and Recorder Wiseman talked about one incident of inappropriate behavior by a couple, smoking and underage drinking were what had been reported to them. The Buildings and Grounds Committee are looking at changing some of the rules for rental. The level of sound made by some of the bands was a concern and some property damage to one of the neighbors was discussed. More chaperons will be required as well as the policing of the building. Recorder Wiseman stated that the person who signs the contract needs to be at the dance.

Steve Bradley gave a donation for the swimming pool to the Mayor from the Thursday Night Pickers group.

Donald Underwood came to address Council about being available for teaching a traffic school. He is an instructor for traffic school. The school allows a person to lower their points against their driving license or can keep a person from getting addition points for some offenses. He has a correspondence class or can provide an actual school. Chief Sinnott stated that the City of Ripley has such a program. Chief Sinnott endorsed the program. The matter will be placed on the agenda for the next meeting.

There was a notice in the newspaper that this was to be a public hearing on allowing the sale of bonds for the new health center facility on Washington St. The Wirt Co. Health Assoc. has asked the City to be the conduit for the sale of such bonds. The matter did not get placed on the agenda, so the public hearing will be carried over to the next Council meeting. No one was present to protest the sale of such bonds.

City Atty. McHugh read by title for the second reading, an Ordinance authorizing the acquisition and construction of certain extensions, additions, betterments and improvements to the existing public waterworks facilities of the City of Ravenswood and the financing of the cost thereof, not otherwise provided, through the issuance by the City of not more than \$995,000. in original aggregate principal amount of Water Revenue Bonds, Series 2006 A (West Virginia

Infrastructure Fund). This was the second of three readings by title for the ordinance. The third reading will be a public hearing on April 4th. The water improvement project should be ready to start by the end of April.

Mayor Harbert had an agreement from the Jackson County Commission reducing the City's amount for answering non-emergency calls through the 911 system for the Ravenswood Police Dept. The amount for the 2006-07 budget is \$15,500.00. Councilwoman Garrett moved "THAT THE CITY AUTHORIZE THE MAYOR TO SIGN THE CONTRACT IN THE AMOUNT OF \$15,500.00 FOR THE NON-EMERGENCY SERVICES." Councilwoman Quillen seconded the motion. Council discussed the matter. All members present voted AYE; therefore, the Mayor declared the motion adopted.

City Clerk-Treas. Turner presented the General Fund and Coal Severance Tax Fund budgets for 2006-07. The General Fund budget has less than a one percent increase over last year. The General Fund amount is \$1,889,323.00 and the Coal Severance Tax Fund amount is \$13,800. The Coal Severance Tax Fund money is used to pay electric bills only. Council had two workshops on the budgets. Councilwoman Garrett moved "TO ADOPT THE GENERAL FUND AND COAL SEVERANCE TAX FUND BUDGETS FOR 2006-07." Councilwoman Quillen seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted. Council will officially lay the tax levy at the April 18th meeting.

Councilman Staats asked Council to have the Park and Recreation Committee hold a public meeting about a site for the proposed skateboard park and thereafter to make a site recommendation to Council. Councilman Lawson stated that some of the neighbors in the north park area were not in favor of the skateboard park being built in their area. They felt that it would be too noisy. Councilman Staats made a motion "TO HAVE A PUBLIC MEETING AND THEN TO PICK THE SITE FOR THE SKATEBOARD PARK." The motion died for lack of a second. Councilman Lawson moved "TO TENTATIVELY SET THE LOCATION OF THE CITY PARK AS THE SITE OF THE SKATEBOARD PARK." Councilman Hunt seconded the motion. Councilman Staats stated that it was not on the agenda to vote for a site at this meeting. The motion was withdrawn. The vote for a selection on a site for the skateboard park will be placed on the next meeting agenda. Mike Kelly informed Council that the noise from the skateboard park shouldn't be that much as there would not be any wooden ramps.

Councilman Staats asked Council to consider and act upon a commitment of funding for market research for the City of Ravenswood. He is asking for a marketing professional agency to procure data for marketing Ravenswood. The data could help to attract people to the area. The approximate cost would probably be from \$30,000.00 to \$35,000.00. The Jackson County Foundation grant award, if approved, could be up to \$15,000.00 to \$17,000.00. Councilman Staats moved "THAT THE COUNCIL COMMIT AS NEEDED UP TO THE COST OF \$17,000.00 OR MORE FOR THE MARKET RESEARCH GRANT." Councilwoman Garrett seconded the motion for purposes of discussion. Council discussed the matter and Recorder Wiseman, Councilmembers Garrett, Quillen and Staats voted AYE. Councilmen Hunt and Lawson voted NO. The majority of the vote being for the motion, the Mayor declared the motion passed.

Council was to discuss the wage proposal for PRO Tom Speece but action was postponed until the City sees what the grant funding will be and what the Jackson Co. School Board is willing to pay.

The City received two sealed bids for the swimming pool repair. The first bid was from Shamblin Construction of Sissonville in the amount of \$247,250.00. The second bid was from Renosys Corp. in the amount of \$247,987.08 from Indiana. Councilman Lawson moved "TO ACCEPT THE TWO BIDS FOR THE SWIMMING POOL RENOVATION." Councilwoman Garrett seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted. Jennifer Fox, of Fox Engineering was present and will take the bids for review.

The City also received two sealed bids for the baseball field lights. Appalachian Power bid \$97,900.00. The second bid was from Appalachian Power also using Musco lighting equipment in the amount of \$122,900.00 with a 25 yr. warranty for an additional \$21,216.00 for a total of \$144,116.00. Councilman Hunt moved "TO ACCEPT THE BIDS FOR THE BASEBALL FIELD LIGHTS." Councilman Lawson seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Mayor Harbert informed Council that Mitch Morrison would like to buy the street millings at \$1.50 per ton. City Supvr. Flinn stated that there was not much that the City could do with the milling now. Council discussed whether the millings needed to be declared surplus property or whether it was waste material. A notice to bid on the millings might have to be placed.

Mayor Harbert informed Council that the Mid-Ohio Valley Mayors Assoc. meeting will be at North Bend State Park on April 12. The Mayor needs to know if anyone is planning to attend by April 3rd.

Mayor Harbert also informed Council that the City is having an Easter Egg Hunt on April 15 at Riverfront Park from noon to 2p.m. The Mayor has bought 2,000 plastic eggs for the hunt.

West Virginia University Parkersburg is conducting a governmental leadership seminar for municipal and county elected officials on April 27, 2006 from 5:00 p.m. to 7:30 p.m. at the Center for Corporate and Community Education at WVUP. Registration needs to be made by April 15th. The seminar is free.

The Mayor also informed Council that Fred Quillen would like to have a big yard sale over the fourth of July weekend in Ravenswood. He is asking that the City consider waiving the \$50.00 license for each vendor. He is looking for a place to have the sale.

Barbara Nicholas was present and asked about the streetscape project and how it might affect her parking at her home on Mulberry St. Jennifer Fox explained to her the proposed direction of the traffic. Barbara was concerned over possible two hour parking at her home.

Gary Cross gave Council an update on the fund raising for the swimming pool. The group's next meeting will be at Mary Pat Glover's house on April 4th at 7:00 p.m.

Councilman Hunt commented on the bid from AEP and that it is higher than what the bid was several months ago. Councilman Hunt stated that the Council needs to act on things more quickly.

Councilman Staats asked about getting a current list of the Council committees. Mayor Harbert went over the committee listings.

Councilman Staats also asked about the current baseball field lights as to whether they were turned off or not. Councilman Lawson stated that the lights had been turned off because of the safety issue.

Councilman Staats also commented that he felt that Council was not acting as quick as they should, but that the Council needed to act responsibly. Councilman Staats stated that he thought that some of the projects of the City might need to be looked at. Mayor Harbert reminded him that the sewer extension has been approved. The City can accept the school and the two plants into the City's sewer system. The DEP fine has been lowered because the City is extending the sewer system. Recorder Wiseman stated that the people in Ravenswood want the development. Councilwoman Garrett asked about the lagoon upgrade bids. Mayor Harbert reported that the City received three bids and that they were all over the estimated cost. The engineers are working with the low bidder to see if anything can be lower in cost. Council also discussed the Jackson Crossing development and the contract.

Councilwoman Quillen stated how proud she was of the Ravenswood High School Basketball team in winning the State AA Championship. She also thanked Mary Pat Glover and Gary Cross for their job of fund raising on the swimming pool. She presented a check from Med X for the swimming pool. She also thanked Jennifer Fox for her assistance on the pool. She also thanked Keith Burdette for his work on the ball park lights. The Ravenswood Choral fund raiser also gave \$300. on the lights.

Councilwoman Garrett asked that it be placed on the next agenda that all city employee pay the full rent in order to use the NYA Hall or the Community Building.

There being no further business, Councilwoman Quillen moved "TO ADJOURN AT 8:51 P.M." Councilman Staats seconded the motion with all members present voting AYE; therefore, the Mayor declared the meeting adjourned.

Respectfully submitted by,

Joan Turner, CMC
City Clerk-Treas.

Attest:

Mayor

Recorder

State of West Virginia
County of Jackson
City of Ravenswood – to wit:

The Common Council of the City of Ravenswood met in regular session on Tuesday, March 7th, 2006 at 7:00 p.m. in the Council Chambers at City Hall. Mayor Harbert called the meeting to order. Recorder Wiseman and Councilmembers Garrett, Hunt, Lawson and Staats were present. Councilwoman Quillen arrived at 7:04 p.m. Atty. McHugh was absent.

Councilman Lawson led the pledge of allegiance and gave the invocation.

Council had received a copy of the minutes of the meeting of Feb. 21st, 2006. Councilwoman Garrett moved "TO APPROVE THE MINUTES OF THE MEETING OF FEB.21st, 2006 AS WRITTEN." Recorder Wiseman seconded the motion. All members present voted AYE; therefore, the Mayor declared the motion adopted.

Gary Cross reported to Council on the status of the fund raisers for the swimming pool. They have a 1995 Pontiac which they will be selling chances on as a fund raiser. They think that they will meet their goal. Mr. Cross also commented that he was in favor of a skate park for the boys and girls of Ravenswood. Councilwoman Quillen entered the meeting at this time. Mayor Harbert thanked Mr. Cross for all their efforts on behalf of the swimming pool funding.

Boy Scout Russell Yoak presented his Eagle Scout project to Council. He would like to plant various kinds of trees along the proposed walk path in Riverfront Park. Russell will be working with Supvr. Flinn as well as the RDA and the Historical Society. Mayor Harbert thanked Russell for his efforts to do this project for the City.

Rocky Corbin and Jason Jackson were present to report to Council and answer any questions which Council might have with regard to the timbering of the new subdivision property in north Ravenswood. They are clearing trees but mostly overgrown brush from the site. Councilwoman Garrett reported that she had several phone calls and conversations with local residents who were concerned about the possibility of run off and flooding from the clearing of the property. Mr. Jackson gave copies of a soil survey of the types of soil in the area from 1957. Most of the soil has none or just a slight chance of slippage. The DEP and Forestry personnel have been to the project several times. Thirty-three trees have been left on the steepest part of the hillside. There was a lengthy discussion on the clearing and possibility of flooding. Recorder Wiseman stated that she had received only positive reports on the project. Councilwoman Garrett stated that they were not attacking Rocky or Jason's characters but that residents have legitimate questions. Councilwoman Quillen voiced her appreciation for them coming to Council. Council Staats also thanked them. Councilman Lawson stated that the City may need to see if the current lines will be able to handle the increase in sewage and storm water in the area.

Recorder Wiseman informed Council that RDA has a new secretary and the minutes will be on line.

PRO Tom Speece gave Council copies of various paperwork which he will be sending in to apply for a new grant to fund his position at Ravenswood High School. The complete grant is 75 pages. Currently the Jackson Co. School Board is providing 50% of his costs and the grant funds the other 50%. Officer Speece reported on his program and goals for the program. He asked the City to consider allocating up to \$10,000 for 2006-07 program. Anthony Sayre, a senior at

Ravenswood High School, informed Council that he supported the PRO at the school and felt safer at the school. Council discussed the request and Recorder Wiseman moved "TO PLACE THE REQUEST ON THE NEXT AGENDA". Councilwoman Garrett seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Atty. John Stump of Steptoe & Johnson PLLC, presented Council with a bond ordinance for the water system improvements. Mr. Stump read by title for the first reading, an Ordinance authorizing the acquisition and construction of certain extensions, additions, betterments and improvements to the existing public waterworks facilities of the City of Ravenswood and the financing of the cost thereof, not otherwise provided, through the issuance by the City of not more than \$995,000. in original aggregate principal amount of Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund). This was the first of three readings by title for the ordinance. The third reading will be a public hearing on April 4th. The water improvement project should be ready to start by the end of April. Recorder Wiseman moved "TO APPROVE THE ORDINANCE ON FIRST READING." Councilwoman Quillen seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Jennifer Fox of Fox Engineering, was present to ask Council to extend the acceptance of bids for the pool project for another two weeks as there were some things which needed to be clarified with the bidding. She also asked that the bidding be extended for another two weeks on the ball field lights. April 30th is the completion date for the lights and Jennifer reported that she thinks that will still be possible. Council discussed the matter and was ok with extending the bidding.

Stanley Wyant of National Pools was present and offered their assistance with the swimming pool renovation.

Water Plant operator, Vince Cambarare has asked for permission to attend a Water Distribution Operation and Maintenance Class at Cedar Lakes, June 12 thru 16th at a cost of \$120.00. Recorder Wiseman asked about Chris Scritchfield attending the class and he will be asking to attend another class later. Councilwoman Garrett moved "TO APPROVE VINCE ATTENDING THE WATER DISTRIBUTION OPERATION AND MAINTENANCE CLASS." Councilman Lawson seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

City Clerk-Treas. Turner reported to Council on the finding of the Audit Committee's selection for a new auditor. The City received two bids, one from Perry & Associates in the amount of \$4,800. and one from Teed and Associates in the amount of \$4,000. Following the State Auditor's guidelines, the Committee selected Teed & Associates to perform the 2004-05 audit. Councilwoman Garrett moved "TO APPROVE THE SELECTION OF TEED AND ASSOCIATES TO PERFORM THE 2004-05 AUDIT." Councilwoman Quillen seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Councilman Staats asked about the status of ownership on Water Street north. At this time, Councilman Staats doesn't think with the information which he is currently aware of, that the City should keep the street. Councilman Lawson stated that the street should be opened back up. Councilman Lawson also stated that Council has voted several times over the years not to do away with any more streets. Recorder Wiseman was not in favor of giving away the street. Council discussed the matter and Mayor Harbert will ask City Atty. McHugh to research the ownership of the street. Councilman Staats also stated that if we want to keep the street that it should be opened up and put on the paving list.

This was an advertised public hearing on the request of Richard Taylor to zone property which he owns beside of Downalong Drive area to R-8. Mr. Taylor wants to build a home or two on this property. No one was present from the general public to make any comments on this request. Councilman Lawson moved "TO ADOPT THE RESOLUTION ASSIGNING A ZONING OF R-8 TO THE PROPERTY OF RICHARD TAYLOR AS REQUESTED. Councilwoman Quillen seconded the motion. Council had a lengthy discussion on the request. Councilwoman Quillen called for the question. Recorder Wiseman, Councilmember Lawson and Quillen voted AYE. Councilmembers Garrett, Hunt and Staats voted No. Mayor Harbert voted AYE. The Mayor declared the motion adopted

Councilman Staats asked if someone from the City is going to attend the Health Dept. meeting on March 13 in regard to the Asian Flu. Chief Sinnett stated that he and Mayor Harbert are planning to attend.

Councilman Staats also asked what the City is going to do with the street milling. Supvr. Flinn stated that the City may not be able to use the millings on the walk path and that he is concerned about mowing around a path and the amount of weed eating that would have to be done on each side of the path.

Councilman Staats asked what happened to a representative from the Main Street program coming to a council meeting. Recorder Wiseman reported that she had talked with Monie Landis and Mrs. Landis is tied up with the City of Ripley's meeting on the same night. Council discussed having Marsha Geyer to come to a meeting.

Jaynie Moore, Chairman of Planning & Zoning Commission, asked about what happened to the sidewalk project in Ravenswood. The project was changed through RDA with the Dept. of Highways and the current project includes some new sidewalks in the downtown area only and a change in the parking patterns and some one way streets.

Councilman Staats voiced his concern on whether the City is following the flood plain ordinance. He suggested that the City may need to consider having a city engineer. Council discussed the flood plain ordinance and the City's ordinance has come directly from FEMA and the up date approved by FEMA.

Councilwoman Garrett reminded Council that the Building and Grounds Committee is to have a work session on Thursday, March 9th at 4:00 p.m. in City Hall.

There being no further business, Councilman Lawson moved "TO ADJOURN AT 9:17 P.M." Councilwoman Garrett seconded the motion with all members present voting AYE; therefore, the Mayor declared the meeting adjourned.

Respectfully submitted by,

Joan Turner, CMC
City Clerk-Treas.

Attest:

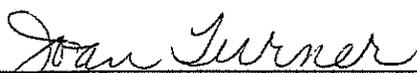
Mayor

Recorder

CERTIFICATION

I further hereby certify that the foregoing action of the Council remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 25th day of April, 2006.



Recorder

04/10/06
735860.00003

WV MUNICIPAL BOND COMMISSION
#8 Capitol Street
Terminal Building, Suite 500
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: April 25, 2006

(See Reverse for Instructions)

ISSUE: City of Ravenswood Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund)

ADDRESS: 212 Walnut Street, Ravenswood, WV 26164 COUNTY: Jackson

PURPOSE OF ISSUE: New Money: X
Refunding: _____ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: April 25, 2006 CLOSING DATE: April 25, 2006

ISSUE AMOUNT: \$ 733,958 RATE: 3.0%

1ST DEBT SERVICE DUE: September 1, 2007 1ST PRINCIPAL DUE: September 1, 2007

1ST DEBT SERVICE AMOUNT: \$ 12,233.69 PAYING AGENT: WV Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC UNDERWRITERS COUNSEL: Jackson Kelly, PLLC
Contact Person: Vincent A. Collins, Esquire Contact Person: Samme L. Gee, Esquire
Phone: (304) 624-8161 Phone: (304) 340-1318

CLOSING BANK: WesBanco Bank, Inc. ESCROW TRUSTEE: _____
Contact Person: Renee O'Dell, Manager Contact Person: _____
Phone: (304) 273-9351 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT OTHER: WV Infrastructure & Jobs Development Council
Contact Person: Lucy J. Harbert Contact Person: Jefferson Brady
Position: Mayor Function: Executive Secretary
Phone: (304) 273-2621 Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE: _____
By: _____ Wire _____ Accrued Interest: \$ _____
_____ Check _____ Capitalized Interest: \$ _____
_____ Reserve Account: \$ _____
_____ Other: _____ \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire _____ To Escrow Trustee: \$ _____
_____ Check _____ To Issuer \$ _____
_____ IGT _____ To Cons. Invest. Fund \$ _____
_____ To Other: _____ \$ _____

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

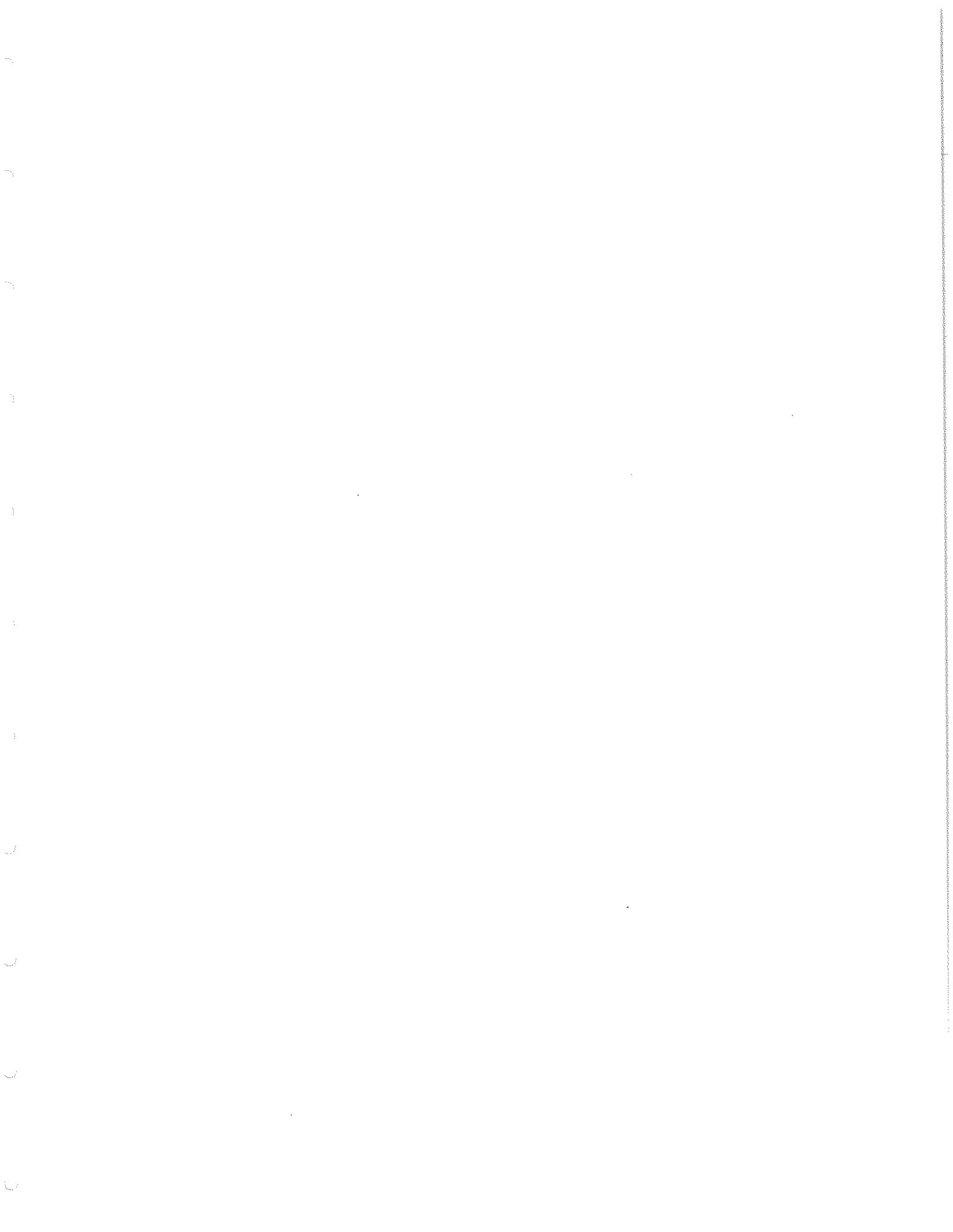
1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.





Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, Eighth Floor

P.O. Box 1588

Charleston, WV 25326-1588

(304) 353-8000 (304) 353-8180 Fax

www.step toe-johnson.com

Writer's Contact Information

(304) 353-8196 - Telephone

(304) 353-8181 - Fax

john.stump@step toe-johnson.com

April 26, 2006

City of Ravenswood
Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

Ladies and Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed envelope.

Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards.

Very truly yours,

A handwritten signature in black ink, appearing to read 'John C. Stump', written over a horizontal line.

John C. Stump

JCS/bsl

Enclosure

cc: Lucy J. Harbert, Mayor (w/o encl.)
Vincent A. Collins, Esquire

735860.00003

CH820676.1

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate Instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name City of Ravenswood	2 Issuer's employer identification number 55 6000239	3 Number and street (or P.O. box if mail is not delivered to street address) 212 Walnut Street	4 Report number 3 2006-01
5 City, town, or post office, state, and ZIP code Ravenswood, West Virginia 26164	6 Date of issue April 25, 2006	7 Name of issue Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund)	8 CUSIP number N/A
9 Name and title of officer or legal representative whom the IRS may call for more information Lucy J. Harbert, Mayor	10 Telephone number of officer or legal representative (304) 273- 2621		

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule	
11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input checked="" type="checkbox"/> Environment (including sewage bonds)	15 \$733,958
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe ▶	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21 June 1, 2027	\$ 733,958	\$ 733,958	12.215 years	3.0179948 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22 Proceeds used for accrued interest	22			-0-
23 Issue price of entire issue (enter amount from line 21, column (b))	23			733,958
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	15,500		
25 Proceeds used for credit enhancement	25	-0-		
26 Proceeds allocated to reasonably required reserve or replacement fund	26	-0-		
27 Proceeds used to currently refund prior issues	27	-0-		
28 Proceeds used to advance refund prior issues	28	-0-		
29 Total (add lines 24 through 28)	29			15,500
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30			718,458

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)		
31 Enter the remaining weighted average maturity of the bonds to be currently refunded		N/A years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded		N/A years
33 Enter the last date on which the refunded bonds will be called		N/A
34 Enter the date(s) the refunded bonds were issued		N/A

Part VI Miscellaneous	
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35 -0-
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a -0-
b Enter the final maturity date of the guaranteed investment contract	
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a -0-
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer and the date of the issue	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box	<input checked="" type="checkbox"/>
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	<input type="checkbox"/>
40 If the issuer has identified a hedge, check box	<input type="checkbox"/>

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here *Lucy J. Harbert* 4/25/06 Lucy J. Harbert, Mayor
 Signature of issuer's authorized representative Date Type or print name and title



CITY OF RAVENSWOOD

Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

WESBANCO BANK, INC., Ravenswood, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Ravenswood (the "Issuer") enacted by the Issuer on April 4, 2006, and a Supplemental Resolution adopted by the Issuer on April 18, 2006 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated April 25, 2006, issued in the original aggregate principal amount of \$733,958 (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 25th day of April, 2006.

WESBANCO BANK, INC.

By: Rayna S. O'Dell
Its: Authorized Officer
Branch Manager
Ravenswood office

735860.00003

CITY OF RAVENSWOOD

Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Ravenswood Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated April 25, 2006, issued in the original aggregate principal amount of \$733,958 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 25th day of April, 2006.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

735860.00002

CITY OF RAVENSWOOD

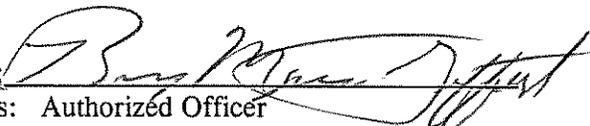
Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the City of Ravenswood (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bond, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer, dated April 25, 2006, in the principal amount of \$733,958, numbered AR-1, was registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 25th day of April, 2006.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

735860.00003

CITY OF RAVENSWOOD

Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 25th day of April, 2006, by and between the CITY OF RAVENSWOOD, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$733,958 Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated April 25, 2006, in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted April 4, 2006, and a Supplemental Resolution of the Issuer duly adopted April 18, 2006 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the attached invoice.

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 Ravenswood
212 Walnut Street
Ravenswood, West Virginia 26164
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25326
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Bond Legislation.

9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See attached)

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

815 QUARRIER STREET, SUITE 418

CHARLESTON, WEST VIRGINIA 25301-2616

TELEPHONE 304-558-2981

PERMIT

(Water)
PROJECT: Water Distribution and Water Treatment
Plant Improvements

PERMIT NO.: 15,911

LOCATION: Ravenswood

COUNTY: Jackson

DATE: 1-20-2004

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

City of Ravenswood
212 Walnut Street
Ravenswood, West Virginia 26164

is hereby granted approval to: install approximately 4,900 LF of 12" water line; approximately 1,700 LF of 8" raw water line; and all necessary valves and appurtenances. Also, to modify and improve the existing water treatment facilities by expanding the existing water treatment plant main building by adding office, laboratory and fluoride space; enclosing the existing air stripper in a building; installing baffles in the existing clearwell; adding an 18,000 gallon clearwell; and all necessary piping, valves, controls and appurtenances.

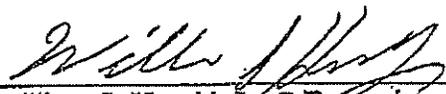
Facilities are being installed to provide for future growth and expansion, particularly at the former Kaiser Aluminum property between Ravenswood and Silvertown and for water system extensions by the Silvertown Public Service District.

NOTE: This permit is contingent upon: 1) All new water lines being disinfected, flushed and bacteriologically tested, prior to use; and 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum eighteen (18) inches vertical separation between crossing sewer and water lines, with the water line above the sewer line.

The Environmental Engineering Division of the St. Albans District Office (304) 722-0611, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR


William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:sec

pc: Burgess and Niple, Inc.
Silvertown PSD
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, Public Service Commission
Jackson County Health Department
OEHS-EED St. Albans District Office

From: NPDES-EP NPDES-EP [<mailto:NPDES-EP@wvdep.org>]
Sent: Thursday, December 11, 2003 9:21 AM
To: mayorroseberry@kvinet.com; NPDES-EP NPDES-EP
Cc: CYNTHIA MUSSER; STEVE COOPER
Subject: APPROVAL FOR CITY OF RAVENSWOOD, WATER SYS
IMPROVEMENTS, CONTRACT 03-1, CR 68, JACKSON CO, WVR100663

Please be advised that this e-mail constitutes approval for your construction activity and your registration no. is WVR100663. You are now authorized to operate under WV/NPDES General Water Pollution Control Permit No. WV0115924, issued on November 5, 2002. You should carefully read the contents of this General Permit and become familiar with all requirements needed to remain in compliance with your permit. We've also attached a "Notice of Termination" form to be completed and submitted when all disturbed areas are stabilized. You can find the permit and Notice of Termination form via the Internet by visiting Permitting, Division of Water and Waste Management at www.wvdep.org. Your annual permit fee has been assessed as \$100.00. You will be invoiced by this agency upon the anniversary date of this approval date.

Failure to submit the annual fee within ninety (90) days of the due date will render your permit void upon the date you are mailed a certified written notice to that effect. Please be advised that a pro-rated annual permit fee may be assessed upon the completion date and proper stabilization.

ALLYN G. TURNER
DIRECTOR
WV DEPT OF ENVIRONMENTAL PROTECTION
DIVISION OF WATER AND WASTE MANAGEMENT
414 SUMMERS STREET, SECOND FLOOR
CHARLESTON, WV 25301
TELEPHONE NUMBER: (304) 558-4086
FAX NUMBER: (304) 558-5903

COMMON POLICY DECLARATIONS



AXIS Reinsurance Company
 430 Park Avenue
 New York, NY 10022

Item	Renewal of : NEW	Date Issued: 09/14/05	Policy No.: APX-33-30174
1	NAMED INSURED AND ADDRESS City of Ravenswood 212 Walnut Street Ravenswood, WV 26164 <div style="text-align: right; font-size: small;">RETURN TO COMPANY IF CANCELLED</div>		
2	POLICY PERIOD: From: 07/01/05 To: 07/01/06 12:01 a.m. Standard Time at Your Mailing Address Shown Above		
3	THIS INSURANCE POLICY IS ISSUED BY: Arrowhead General Insurance Agency 300 Arboretum Parkway, Suite 245 Richmond, VA 23236	Producer Name and Address Commercial Insurance Services 340 MacCorkle Avenue, Suite #200 Charleston, WV 25314	
4	FORM OF BUSINESS: <input type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input type="checkbox"/> Organization (Other than Partnership or Joint Venture)		
5	BUSINESS DESCRIPTION: Public Entity		
6	In return for the payment of premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.		
	This policy consists of the following coverage part(s) for which a premium is indicated. This premium may be subject to adjustment.		
	Coverage Part(s)	Coverage Part Declarations Form (Number and Edition Date)	Advance Premium
	Commercial Property Coverage Part	CP 0010 (04/02), CP 1030 (04/02)	\$9,868.00
	Commercial Inland Marine Coverage Part	CM 0001 (09/04)	Included
	Other (Specify) State Surcharge		\$98.68
7	FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS (Number and Edition Date) SEE APR FL 1 (04/05)		
8	Total Advance Premium <input type="checkbox"/> Direct Bill <input type="checkbox"/> See Premium Payment Schedule	If Paid In Annual Installments, Premium Due at inception Client No.	each anniversary
	Audit Period: Annual (unless otherwise stated): <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Other (Describe)		

Countersigned by:

 Authorized Representative

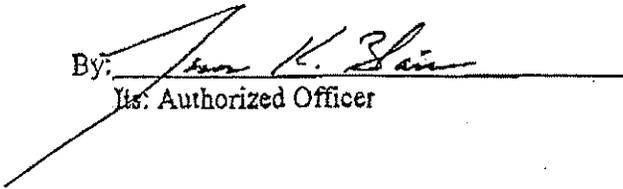
City of Ravenswood
Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

CONSENT OF UNITED BANK, INC.

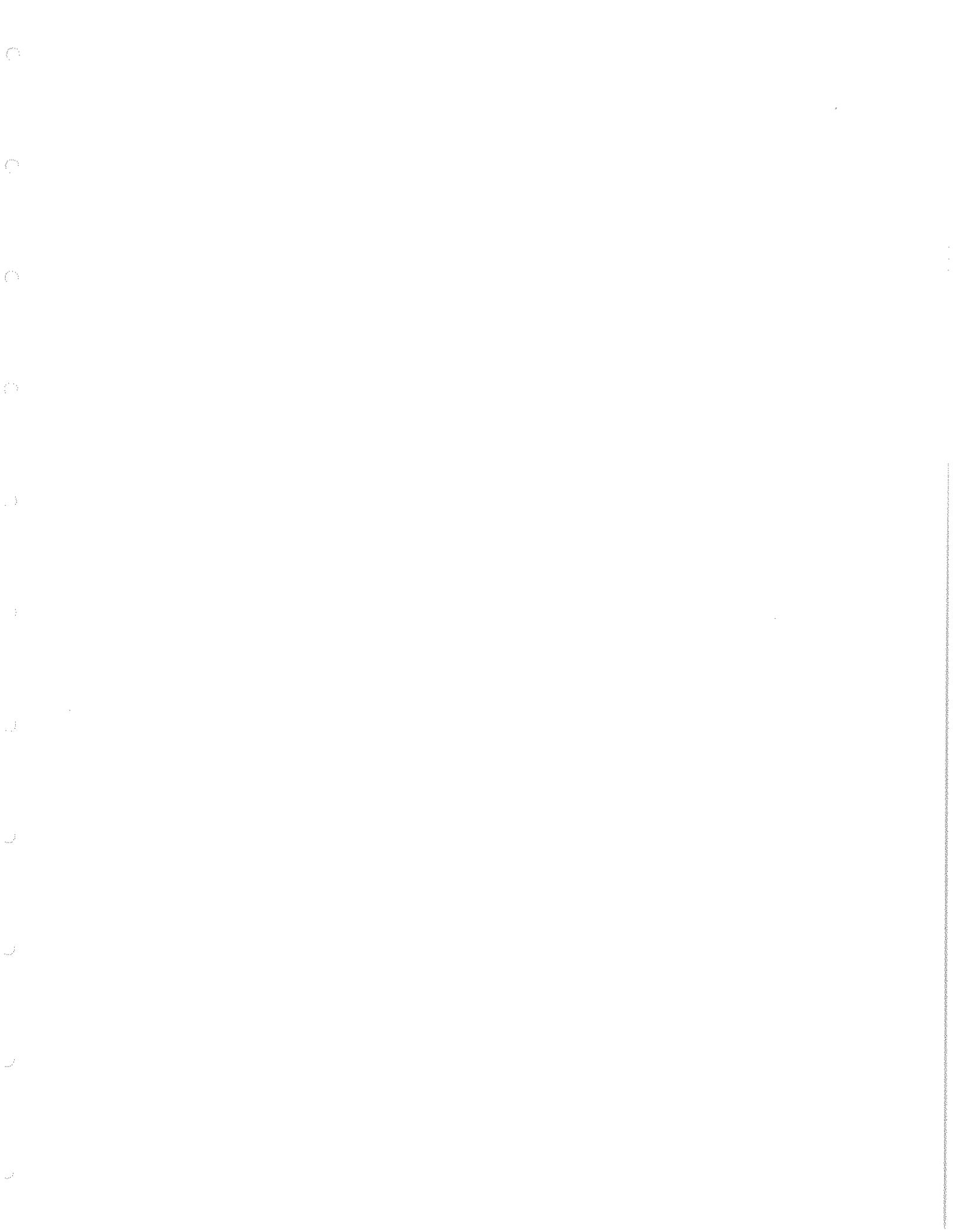
In reliance upon a certificate of Philip R. Postlewait, Jr., CPA, an independent certified public accountant, stating that the coverage requirements have been met (copy attached), the undersigned duly authorized representative of United Bank, Inc. (Formerly, United National Bank), the registered owner of the Prior Bonds, hereinafter defined, hereby consents to the issuance of the Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund) (the "Series 2006 A Bonds"), in the original aggregate principal amount of \$733,958, by the City of Ravenswood (the "Issuer"), under the terms of the ordinance authorizing the Series 2006 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Water Revenue Refunding Bonds, Series 1999 (the "Prior Bonds").

WITNESS my signature on this 25th day of April, 2006.

UNITED BANK, INC.

By: 
Its: Authorized Officer

04/10/06
735860.00003



CLOSING MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: April 25, 2006
Re: City of Ravenswood Water Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

DISBURSEMENTS TO THE CITY OF RAVENSWOOD

Payor: West Virginia Infrastructure and Jobs Development Council
Source: Series 2006 A Bonds Proceeds
Amount: \$106,200
Form: Wire
Payee: City of Ravenswood
ABA #: 051500562
Account #: 0833024103
Bank: WesBanco Bank, Inc., Ravenswood, WV
Contact: Renee O'Dell, Manager (304) 273-9351
Account: Series 2006 A Bonds Construction Trust Fund

04/10/06
735860.00003

CH804932.1

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

BOND CLOSING ATTENDANCE LIST

Date 04/25/06 Time 9 a.m. LGA City of Ravenswood Program _____ IF _____

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
<u>Ray Olds</u>	<u>WV WDA</u>	<u>558-3612</u>	<u>558-0299</u>	<u>rob@wvwda.org</u>
<u>DANIEL YONKOSKY</u>	<u>WV WDA</u>	<u>558-3612</u>	<u>558-0299</u>	<u>dyankosky@wvwdg.org</u>
<u>Franki Parsons</u>	<u>Jackson Kelly PLLC</u>	<u>340-1783</u>	<u>340-1772</u>	<u>franki@jacksonkelly.com</u>
<u>John Stump</u>	<u>Stump & Johnson PLLC</u>	<u>353-8176</u>	<u>353-8181</u>	<u>john.stump@stump-johnson.com</u>
<u>Samuel Gee</u>	<u>Jackson Kelly PLLC</u>	<u>340-1318</u>	<u>340-1272</u>	<u>sg@jacksonkelly.com</u>

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 Lucy J. Harbert, Mayor Telephone 273-2621 E-Mail wj
 Address 212 Walnut Street, Ravenswood West Virginia 26164

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.

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

City of Ravenswood
Water Project 2001W-628
March 1, 2006
Revision 3

SCHEDULE A

- A. Approximate Amount: \$733,958 Loan
- B. Loan: \$733,958
1. Maturity Date: 20 years from date of closing.
 2. Interest Rate: 3%
 3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition
 4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.
 5. Special Conditions: None

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

C. Other Funding

Northern Jackson
County PSD

(Formerly Silverton PSD) \$185,472

(Proceeds from an Infrastructure Fund Loan to
Silverton PSD)

D. Total Project Cost: \$919,430

**AMENDED WATER PURCHASE AGREEMENT BETWEEN THE
CITY OF RAVENSWOOD AND THE SILVERTON PSD**

This Amended Contract for the sale and purchase of water is entered into this 16th day of December 2003, between the City of Ravenswood and the Silverton Public Service District ("Silverton PSD"),

WITNESSETH

WHEREAS, the Silverton Public Service District ("Silverton PSD") operates a water distribution system in Jackson County, West Virginia;

WHEREAS, the City of Ravenswood owns and operates a water supply and distribution system in the City of Ravenswood with potential excess capacity;

WHEREAS, on February 18, 1975, the parties executed a "Water Purchase Contract" for the purchase of water;

WHEREAS, Silverton PSD has submitted a written request to the City of Ravenswood seeking a commitment by the City of Ravenswood to provide the Silverton PSD with additional supplies of water, now and in the future;

WHEREAS, the staff of the West Virginia Public Service Commission ("WVPSC") has indicated its preference that the Silverton PSD obtain water from the City of Ravenswood in lieu of the construction of an independent water supply system;

WHEREAS, the request of the Silverton PSD will require certain improvements to the City of Ravenswood's water supply and distribution system that are properly attributable to both the Silverton PSD and the City of Ravenswood;

WHEREAS, two alternatives reflecting the total estimated cost of such improvements, properly attributable to the Silverton PSD and Ravenswood, pursuant to the request of the Silverton PSD, are set forth in an Engineering Report concerning "Water

System Improvements" prepared by Burgess & Niple, Limited, dated March, 2001 and revised on April 23, 2001("Engineering Report"), at Table 6, p. 15 ("Alternate 1") and Table 7, p. 16 ("Alternate 2");

WHEREAS, on June 5, 2001, the City of Ravenswood passed an Ordinance approving the execution of a new Water Purchase Contract with the Silverton PSD, contingent upon the agreement of the Silverton PSD to comply with certain requirements;

WHEREAS, since the Ordinance referred to above was enacted in 2001 to authorize a new Water Purchase Contract between the City of Ravenswood and Silverton PSD pursuant to Alternate 2 identified in the preceding paragraph, there have been certain changes to the assumptions upon which the June 5, 2001 Ordinance was based.

WHEREAS, the changed assumptions and revised projected water use rates are reflected in an Amended Engineering Report of May 30, 2003 that was provided to Silverton PSD (Table 6 and 7 of the Amended Engineering Report are attached and incorporated herein). The changed assumptions include the following:

1. Pending funding approvals, the United States Environmental Protection Agency has tentatively agreed to pay for all costs associated with the development of two new water wells, along with associated piping and controls, on property that the City has an option to purchase;
2. Burgess and Niple, Limited has prepared a revised cost estimate based upon a reduction of the original scope of the project, due to the elimination of the reinforcing mains (8 inch and 6 inch) within the Ravenswood distribution system;

3. The City of Ravenswood has completed the annexation of property owned by Ridge Line, Inc. and is obligated to provide all customers on that property with city water. This reduced the projected water usage by the Silverton PSD;

4. The parties have had additional discussions concerning allocation of project and cost and responsibilities, including the sharing of costs associated with construction of a new water main to the Silverton tank and the use of the water main from the Silverton tank to the annexed area referred to in subparagraph 3;

WHEREAS, the staff of the WVPSC has indicated that it will recommend approval of such rates as will allow the cost of the improvements to the City of Ravenswood's water supply and distribution system as reflected in the Amended Engineering Report, including those necessary to comply with the request of the Silverton PSD, to be passed on to the consumers of such water, and if usage is less than the projected amount, the WVPSC will modify the rates to allow the City to service its debt in accordance with the projections in the Amended Engineering Report;

WHEREAS, the water system improvements described in the Amended Engineering Report will benefit the citizens of the City of Ravenswood and customers of the Silverton PSD by ensuring the adequate availability of cost-efficient quantities of potable water;

WHEREAS, by Procedural Order dated December 4, 2003, the Public Service Commission ordered the parties to submit a signed "Water Purchase Contract," consistent with the May 29, 2003 letter and the October 7, 2003 Ordinance of the City of Ravenswood,

NOW, THEREFORE, the parties agree that in consideration of the foregoing and the mutual agreements hereinafter set forth:

1. The City of Ravenswood agrees to provide potable water to the Silverton PSD in the quantities stated herein, pursuant to the request of the Silverton PSD as follows:

a. The City of Ravenswood will immediately provide to the Silverton PSD potable water meeting the standards of the West Virginia Bureau of Public Health in such quantity as may be required by the Silverton PSD not to exceed 6,150,000 gallons per month;

b. Upon completion of the two water supply wells funded by the USEPA, the City will immediately provide to the Silverton PSD potable water in such quantity as may be required by the Silverton PSD, not to exceed 8,150,000 gallons per month;

c. If and when Silverton PSD needs water supplies exceeding 8,150,000 gallons per month, the Silverton PSD will make a request to the City of Ravenswood for the provision of such additional water. At that time, the parties will negotiate in good faith to reach a supplemental agreement. If the parties are unable to reach an agreement with respect to the terms pursuant to which additional water will be provided to the Silverton PSD, the parties will make joint application to the WWPSC to request guidance concerning the obligations of the respective parties;

2. In consideration of the agreement of the City, the Silverton PSD agrees to support the request of the City of Ravenswood to the WWPSC to seek reimbursement for the improvements identified in the Amended Engineering Report of 2003, through water use rates charged to all water customers and allocated between the City of Ravenswood

and the Silverton PSD in accordance with the revised Table 7 of the Amended Engineering Report of May 30, 2003;

3. Both parties agree that if the City of Ravenswood shares the cost of the line to the Silverton tank on a pro rata basis consistent with the Amended Engineering Report of 2003, Ravenswood will be able to use the line from Silverton's tank to the annexed area, if feasible, at no cost. If this line is used by Ravenswood, any cost to upgrade this line in the future will be shared with Silverton PSD on a 50/50% cost basis. Finally, if this joint line is not used by the City of Ravenswood, the City of Ravenswood will lay a new line to the annexed area at no cost to Silverton PSD.

4. Pursuant to the request of the Silverton PSD, it is the intention of the City of Ravenswood to provide all necessary public water to the Silverton PSD. However, the City of Ravenswood has implemented the conditions set forth herein to address contingencies that may not be predicted at this time.

In witness Whereof, the parties, acting under the authority of their respective governing bodies, have caused this Amended Contract to be duly executed this 16th day of December, 2003

CITY OF RAVENSWOOD

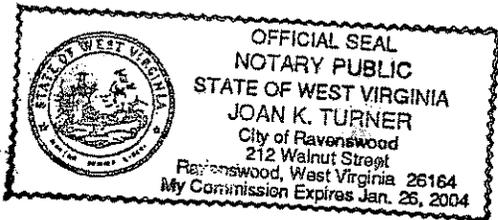
By: Clair Roseberry
Clair Roseberry
Mayor

STATE OF WEST VIRGINIA,
COUNTY OF JACKSON, TO-WIT

The foregoing instrument was acknowledged before me this 16th day of December, 2003, by the CITY OF RAVENSWOOD, WEST VIRGINIA, by Clair Roseberry, its Mayor, whose name is signed to the foregoing writing, has this day acknowledged the same to be the act and deed of said corporation.

Given under my hand this 16th day of December, 2003.

My commission expires: January 26, 2004



Joan K. Turner
Notary Public

SILVERTON PUBLIC SERVICE DISTRICT

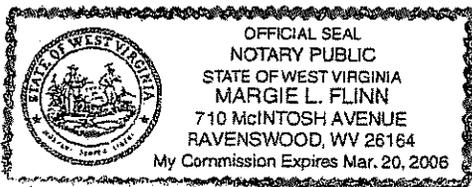
By: Frank A. Murrey
Frank Murrey
Chairman

STATE OF WEST VIRGINIA,
COUNTY OF JACKSON, TO-WIT

The foregoing instrument was acknowledged before me this 16th day of December, 2003, by the SILVERTON PUBLIC SERVICE DISTRICT OF JACKSON COUNTY, WEST VIRGINIA, by Frank Murrey, its Chairman, whose name is signed to the foregoing writing, has this day acknowledge the same to be the act and deed of the Silverton Public Service District.

Given under my hand this 16th day of December, 2003.

My Commission expires: March 20, 2006



Margie L. Flinn
Notary Public

Table 6
(Revised 5/30/03)
Construction and Project Cost Summary
Water System Improvements

Description	Cost
1. Water Supply Wells (2 wells at 250 gpm each)	
• Test Drilling and Well Development	\$ 65,000
• Equip Well with Pump, Pitless Adapter & Vault	50,000
• Electrical and Controls	35,000
• Piping from Well Field to WTP (1,700 LF-8" Main)	55,000
2. Water Treatment Plant Improvements	
• Install Control Valve at High Lift Pumps	10,000(B)
• Air Stripper Enclosure (Pole Building Structure)	80,000(B)
• Construct WTP Expansion for Lab and Fluoride	100,000(B)
3. Clearwell (Chlorine Contact) Improvements	
• Install Internal Baffles (Fiberglass Sheets)	30,000(B)
• Construct Clearwell Expansion (Concrete Basin)	80,000(B)
4. Water Distribution (Transmission) Improvements	
• Water Main on Sycamore (1,200 LF-12" Main)	50,000(B)
• Water Main to Silverton Tank (1,800 LF-12" Main)	60,000(B)
5. Water Distribution System Improvements	
• Distribution System Upgrades per Master Plan	
- 2,500 LF of 10" Main (to Hillcrest Tanks)	90,000(R)
- 4,700 LF of 8" Main	150,000
- 2,600 LF of 6" Main	80,000
Subtotal Construction Cost	\$ 500,000
<u>Engineering</u>	
Design	
Construction Services	\$ 80,000
Resident Project Representative	35,000
Legal	25,000
Property Acquisition, Easements and Permits	\$ 14,000
Subtotal Non-Construction Costs	\$ 15,000
Project Contingency (10%)	\$ 169,000
Total Estimated Project Cost	\$ 67,000
	\$ 736,000

(B) Indicates shared costs between Silverton and Ravenswood based upon allocation of water use.
(R) Indicates cost responsibility to be covered by City of Ravenswood.

Table 7
 (Revised 5/30/03)
 Funding Scenario
 Proposed Water System Improvements

Water System Improvements	Annual Payment	Estimated Additional Cost Per 1,000 Gallons Sold
<u>Project Financing - \$736,000 @ 3.0 % Interest, 20 Years</u>	<u>\$ 56,900⁽¹⁾</u>	
♦ Silverton Shared Cost (25.2% of annual payment) ⁽²⁾	\$ 14,340	\$ 0.24
♦ Ravenswood Shared Cost (74.8% of annual payment) ⁽³⁾	42,560	0.31

⁽¹⁾ Based upon annual debt service of \$49,500 plus 15% for debt service coverage.

⁽²⁾ Based upon shared cost of 82 % of the project and total projected sales upon completion of Rt. 21 extension of 166,000 gpd, which is approximately 31 % of the total projected water sales for Silverton and Ravenswood of 540,000 gpd.

⁽³⁾ Based on shared cost of 82 % of the project plus sole responsibility for the remaining 12 % of the project costs. Cost based upon Ravenswood projected water sales at 374,000 gpd.

**ORDINANCE OF THE CITY OF RAVENSWOOD
TO AUTHORIZE A NEW WATER PURCHASE CONTRACT
WITH THE SILVERTON PUBLIC SERVICE DISTRICT AND THE
CONSTRUCTION OF CERTAIN WATER SYSTEM IMPROVEMENTS**

WHEREAS, the Silverton Public Service District ("Silverton PSD") operates a water distribution system in Jackson County, West Virginia;

WHEREAS, the City of Ravenswood owns and operates a water supply and distribution system in the City of Ravenswood with potential excess capacity;

WHEREAS, Silverton PSD has submitted a written request to the City of Ravenswood seeking a commitment by the City of Ravenswood to provide the Silverton PSD with additional supplies of water, now and in the future;

WHEREAS, the staff of the West Virginia Public Service Commission ("WVPSC") has indicated its preference that the Silverton PSD obtain water from the City of Ravenswood in lieu of the construction of an independent water supply system;

WHEREAS, the request of the Silverton PSD will require certain improvements to the City of Ravenswood's water supply and distribution system that are properly attributable to both the Silverton PSD and the City of Ravenswood;

WHEREAS, two alternatives reflecting the total estimated cost of such improvements, properly attributable to the Silverton PSD and Ravenswood, pursuant to the request of the Silverton PSD, are set forth in an Engineering Report concerning "Water System Improvements" prepared by Burgess & Niple, Limited, dated March, 2001 and revised on April 23, 2001 ("Engineering Report"), at Table 6, p. 15 ("Alternate 1") and Table 7, p. 16 ("Alternate 2") (a copy of the Engineering Report is attached hereto);

WHEREAS, the staff of the WVPSC has indicated that it will recommend approval of such rates as will allow the cost of the improvements to the City of Ravenswood's water

supply and distribution system as reflected in the Engineering Report, including those necessary to comply with the request of the Silverton PSD, to be passed on to the consumers of such water, and if usage is less than the projected amount, the WVPSC will modify the rates to allow the City to service its debt in accordance with the projections in the Engineering Report;

WHEREAS, the water system improvements described in either Table 6 or Table 7 of the Attachment will benefit the citizens of the City of Ravenswood and customers of the Silverton PSD by ensuring the adequate availability of cost-efficient quantities of potable water.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF RAVENSWOOD AS FOLLOWS:

1. The City of Ravenswood intends to provide potable water to the Silverton PSD in the quantities stated herein, pursuant to the request of the Silverton PSD. However, the supply of such water is contingent upon Silverton PSD's agreement to support the request of the City of Ravenswood to seek reimbursement for such improvements through water use rates charged to all water customers and allocated between the City of Ravenswood and the Silverton PSD as set forth in the Engineering Report;

2. If the Silverton PSD agrees to the terms of Paragraph 1 hereof, the Common Council of the City of Ravenswood hereby authorizes the Mayor to execute an amended "Water Purchase Contract" which provides the following terms and conditions:

a. The City of Ravenswood will immediately provide to the Silverton PSD potable water meeting the standards of the West Virginia Bureau of Public Health in such quantity as may be required by the Silverton PSD not to exceed 6,150,000 gallons per month;

b. In the event the water supply wells referred to in Table 6 and Table 7 of the Attachment result in the availability of one or more water supply wells which together produce in excess of 250 gallons per minute, such that said wells are considered successful, and upon completion of the water system improvements committed to herein by the respective parties, the City of Ravenswood will thereafter immediately provide to the Silverton PSD potable water in such quantity as may be required by the Silverton PSD, not to exceed 8,150,000 gallons per month. The increase referred to in this subparagraph shall be automatically implemented if the wells referred to the Attachment are successful as defined above;

c. If and when Silverton PSD needs water supplies exceeding 8,150,000 gallons per month, the Silverton PSD will make a request to the City of Ravenswood for the provision of such additional water. At that time, the parties will negotiate in good faith to reach a supplemental agreement. If the parties are unable to reach an agreement with respect to the terms pursuant to which additional water will be provided to the Silverton PSD, the parties will make joint application to the WVPSC to request guidance concerning the obligations of the respective parties.

3. If the Silverton PSD complies with the terms of Paragraph 1 hereof, the Common Council of the City of Ravenswood further authorizes the implementation and construction of Alternate 2 of the water system improvements, described in Table 7, Page 16, of the Attachment. In this regard, the Council authorizes the Mayor to seek and obtain funding for the same on behalf of the City of Ravenswood and to advertise for and obtain bids for said construction.

4. Pursuant to the request of the Silverton PSD, it is the intention of the City of Ravenswood to provide all necessary public water to the Silverton PSD. However, the City of Ravenswood has implemented the conditions set forth herein to address contingencies that may not be predicted at this time.

On the 5th day of June 2001, after the second reading of said ordinance, Recorder Garrett moved for the adoption of said ordinance and authorization for the Honorable Clair Roseberry, the Mayor of the City of Ravenswood, to sign the said ordinance. The motion was seconded by Councilwoman Harbert. After discussion, the Common Council of the City of Ravenswood adopted the foregoing ordinance and authorization with Recorder Garrett, Councilwoman Harbert, McCann & Wiseman voting for the ordinance and authorization and _____ against. Councilmen Lawson and Scritchfield were absent.

CITY OF RAVENSWOOD

By: Clair Roseberry
Clair Roseberry
Mayor

ATTEST:

Katherine Garrett
Katherine Garrett
Recorder

I, the undersigned, being the duly appointed, qualified and acting Clerk of the City of Ravenswood, hereby certify that the foregoing Ordinance No. _____ is a true, correct and accurate copy as duly and lawfully passed and adopted by the governing body of the City on the 5th day of June, 2001.

Joan Turner
Joan Turner, CMC
City Clerk/Treasurer

CITY OF RAVENSWOOD, WEST VIRGINIA
WATER REVENUE REFUNDING BONDS, SERIES 1999

SUPPLEMENTAL RESOLUTION PROVIDING THE AMOUNT, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE WATER REVENUE REFUNDING BONDS, SERIES 1999, OF THE CITY OF RAVENSWOOD; AUTHORIZING AND APPROVING A PLACEMENT AGENT'S AGREEMENT, A REGISTRAR AND PAYING AGENT AGREEMENT, AN ESCROW AGREEMENT AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, ESCROW AGENT AND DEPOSITORY BANK; DESIGNATING THE BONDS AS "BANK QUALIFIED OBLIGATIONS" AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, the City of Ravenswood (the "Issuer"), in the County of Jackson, State of West Virginia, is a municipal corporation of said State, the governing body of which is its Council;

WHEREAS, this Council duly enacted on March 30, 1999, an ordinance (the "Ordinance") entitled:

ORDINANCE AUTHORIZING THE REFUNDING OF CERTAIN EXISTING DEBT AND THE ISSUANCE OF WATER REVENUE REFUNDING BONDS, SERIES 1999, OF THE CITY OF RAVENSWOOD, IN THE AMOUNT OF \$485,000; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PLACING LIMIT ON SALE OF SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDER OF THE BONDS; PROVIDING STATUTORY LIEN ON REVENUES AND SYSTEM; PROVIDING FOR THE RATIFICATION, APPROVAL AND COLLECTION OF RATES AND CHARGES FOR THE PUBLIC WATER SYSTEM; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

WHEREAS, the Ordinance provided for the issuance of the Issuer's Water Revenue Refunding Bonds, Series 1999 (the "Series 1999 Bonds"), in an aggregate principal amount of \$485,000, for the purpose of refunding the Issuer's outstanding Waterworks Revenue Bonds, Series 1977 (the "Prior Bonds"), all in accordance with Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Ordinance provided that the exact principal amount of the Series 1999 Bonds to be sold and the maturities, interest rates, redemption provisions and the price of the Bonds should be established, that a Paying Agent, Escrow Agent, Registrar and Depository Bank be designated, that an Escrow Agreement and Registrar and Paying Agent Agreement be approved, and that other matters pertaining to the Series 1999 Bonds be provided for by resolution of this Council supplemental to and amendatory of the Ordinance upon receipt of a Bond Purchase Agreement acceptable to this Council;

WHEREAS, the Series 1999 Bonds are proposed to be purchased by United National Bank

(the "Original Purchaser"), pursuant to a Placement Agent's Agreement dated the date of adoption hereof (the "Placement Agent's Agreement");

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Ordinance; and

WHEREAS, this Council deems it essential and desirable that this Resolution be adopted and that the Placement Agent's Agreement, the Escrow Agreement and the Registrar and Paying Agent Agreement hereinafter provided to be entered into by the Issuer, be approved, that the price of the Series 1999 Bonds, the maturity dates and amounts, the redemption provisions, the interest rates, and the exact principal amount of the Series 1999 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 1999 Bonds be herein provided for, all in accordance with the Ordinance.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF RAVENSWOOD HEREBY
ESOLVES:

Section 1. Pursuant to the Ordinance and the Act, this Resolution is adopted and there are hereby authorized and ordered to be issued the Series 1999 Bonds in the aggregate principal amount of \$485,000. The Series 1999 Bonds shall be dated March 30, 1999, upon original issuance, shall bear interest payable semiannually on January 1 and July 1 of each year, commencing January 1, 2000, with sinking fund payments due July 1 in the years as follows:

<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2000	\$20,000	5.00%
2001	20,000	5.00
2002	20,000	5.00
2003	20,000	5.00
2004	20,000	5.00
2005	20,000	5.00
2006	25,000	5.00
2007	25,000	5.00
2008	25,000	5.00
2009	25,000	5.00
2010	30,000	5.00
2011	30,000	5.00
2012	30,000	5.00
2013	30,000	5.00
2014	35,000	5.00
2015	35,000	5.00
2016	35,000	5.00
2017	40,000	5.00

Section 2. The Series 1999 Bonds shall be subject to redemption at the option of the Issuer at any time, in whole or in part, in any order of maturity selected by the Issuer and by lot within a maturity.

If a Series 1999 Bond is called for redemption in part, such Series 1999 Bond shall be renumbered and exchanged for a Series 1999 Bond of the amount then outstanding without charge to the Bondholder.

All other provisions relating to the Series 1999 Bonds shall be as provided in the Ordinance, and the text thereof shall be in substantially the form provided in the Ordinance.

Section 3. The Placement Agent's Agreement between the Placement Agent and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor and Recorder on behalf of the Issuer are hereby authorized, approved and directed. The Mayor and Recorder shall execute and deliver the Placement Agent's Agreement with such changes, insertions and omissions as may be approved by the Mayor and Recorder. Execution of the Placement Agent's Agreement by the Mayor and Recorder shall be conclusive evidence of any approval required by this Section. The price of the Series 1999 Bonds, pursuant to the Placement Agent's Agreement, shall be \$485,000. In addition, the Issuer shall receive interest accrued from the date of the Series 1999 Bonds to their date of delivery. The Series 1999 Bonds are expected to be delivered on or about March 30, 1999, and, if so delivered, the accrued interest will be \$0.

Section 4. The Escrow Agreement by and between the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent, to be dated as of the date of delivery of the Series 1999 Bonds, substantially in the form submitted to this meeting shall be and the same is hereby approved. The Mayor or Vice Mayor shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the Mayor and the Recorder is hereby authorized and directed to affix the seal of the Issuer thereto and to attest the seal. Execution of the Escrow Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 5. The Registrar and Paying Agent Agreement to be dated as of the date of delivery of the Series 1999 Bonds, by and between the Issuer and the Registrar/Paying Agent designated herein, substantially in the form submitted to this meeting shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar and Paying Agent Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar and Paying Agent Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 6. The Issuer does hereby appoint and designate the West Virginia Municipal Bond

Commission, Charleston, West Virginia, for the purpose of serving as Escrow Agent under the Escrow Agreement.

Section 7. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, for the purpose of serving in the capacities of Registrar and Paying Agent.

Section 8. The Issuer does hereby appoint and designate WesBanco Bank Ravenswood, Ravenswood, West Virginia for the purpose of serving in the capacity of Depository Bank.

Section 9. The notice addresses for the Escrow Agent, Registrar, Paying Agent and Depository Bank shall be as follows:

ESCROW AGENT, REGISTRAR AND PAYING AGENT

West Virginia Municipal Bond Commission
812 Quarrier Street, Suite 300
Charleston, WV 25301

DEPOSITORY BANK

WesBanco Bank Ravenswood
Two Wall Street
Ravenswood, WV 26164

Section 10. Based upon the actual principal amount, maturity schedule and interest rates for the Series 1999 Bonds, as set forth in Paragraph (1) hereof, it is hereby determined that the Series 1999 Bonds show a net savings to the Issuer after deducting all expenses of the refunding.

Section 11. Under the provisions of the Act, and as provided in the Ordinance and the Series 1999 Bonds, the Series 1999 Bonds and the interest thereon do not constitute indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, but shall be payable solely from the revenues derived from the operation of the water system of the Issuer and neither the credit nor the taxing power of the Issuer is pledged for, and no tax shall ever be levied for, payment of the Series 1999 Bonds and the interest thereon.

Section 12. The Issuer and all subordinate entities do not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligations) during the calendar year 1999 and the Issuer hereby designates the Series 1999 Bonds as "qualified tax-exempt obligations," as defined in Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 13. The Mayor and Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 1999 Bond issue, hereby and by the Ordinance approved and provided for, including any forms or documents necessary to qualify the Series 1999 Bonds for sale under the "Blue Sky Laws" of any state, to the end that the Series 1999 Bonds may be delivered at the earliest practical date pursuant to the Placement Agent's Agreement.

Section 14. The Mayor is hereby authorized and directed to transfer from the Debt Service Fund and Debt Service Reserve Fund, created for the Prior Bonds and held by the West Virginia Municipal Bond Commission the amounts set forth in the Escrow Agreement.

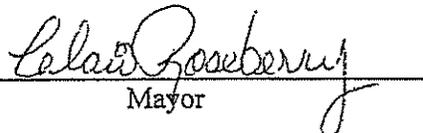
Section 15. This Resolution shall be effective immediately.

Adopted this 30th day of March, 1999.

[SEAL]

CITY OF RAVENSWOOD, WEST VIRGINIA


Recorder

By: 
Mayor

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the City Council of the CITY OF RAVENSWOOD at a special meeting of the City Council held on March 30, 1999, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 30th day of March, 1999.



City Clerk

CITY OF RAVENSWOOD

ORDINANCE AUTHORIZING THE REFUNDING OF CERTAIN EXISTING DEBT AND THE ISSUANCE OF WATER REVENUE REFUNDING BONDS, SERIES 1999, OF THE CITY OF RAVENSWOOD, IN THE AMOUNT OF \$485,000; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PLACING LIMIT ON SALE OF SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDER OF THE BONDS; PROVIDING STATUTORY LIEN ON REVENUES AND SYSTEM; PROVIDING FOR THE RATIFICATION, APPROVAL AND COLLECTION OF RATES AND CHARGES FOR THE PUBLIC WATER SYSTEM; AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF CITY OF RAVENSWOOD, WEST VIRGINIA:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted pursuant to the provisions of Chapter 8, Article 19 and Chapter 13, Article 2E of the West Virginia Code, as amended (collectively, the "Act"), and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. City of Ravenswood (the "City" or "Issuer") is a municipal corporation and political subdivision of the State of West Virginia located in Jackson County, West Virginia.

B. The Issuer now has a public water system, and it is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that certain existing indebtedness incurred by the Issuer to make additions and improvements to the public water system of the Issuer known as the "System" (sometimes referred to herein as the "System") be refunded so as to improve the public health, comfort and convenience of residents of the City. The refinancing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. It is necessary for the Issuer to issue its revenue refunding bond in the aggregate principal amounts of \$485,000 to refinance the existing debt of the System.

D. The period of usefulness of the System is not less than the term of the Bonds.

E. There is currently outstanding an obligation of the Issuer, which the Bonds will refund, known as the Issuer's Waterworks Revenue Bonds of the Issuer, dated July 1, 1977 (the "1977 Bond") issued in the original principal amount of \$690,000 secured under the terms of the 1977 Ordinance (hereinafter defined);

With the exception of the 1977 Bonds described above, there are no other outstanding bonds or obligations of the Issuer.

F. The Issuer is not in default under the terms of the 1977 Ordinance, or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of refunding bonds or has obtained a sufficient and valid waiver thereof.

G. The estimated revenues to be derived in each year from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

H. The Issuer has complied with all requirements of West Virginia law relating to the Bonds, or will have so complied prior to issuance of the Bonds, including, among other things, the imposition of rates and charges and approval, pursuant to the Act, of the issuance of the Bonds.

I. It is in the best interests of the Issuer that the Bonds be sold pursuant to terms and provisions set forth in a commitment letter from a purchaser and in a Supplemental Resolution of the Issuer.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bond by a purchaser, this Ordinance (the "Ordinance") shall be deemed to be and shall constitute a contract between the Issuer and such purchaser, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Bond.

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

"Act" means Article 19, Chapter 8 of the West Virginia Code, as amended.

"1999 Bonds", "1999 Series Bonds" or "Bonds" means the \$485,000 City of Ravenswood Water Revenue Refunding Bonds, Series 1999, authorized by this ordinance.

"1977 Bond" means the outstanding bond of the Issuer dated July 1, 1977, described in Section 1.02 E. herein.

"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.

"Costs" or "Costs of the Project" means those costs described in Section 1.02 hereof to be a part of the costs of refunding.

"Depository Bank" means initially the WesBanco Bank Ravenswood, Ravenswood, West Virginia, a bank or trust company which is a member of FDIC and its successors and assigns or such other qualified bank or trust company designated now or hereafter by Issuer.

"Facilities" or "water facilities" means all the land and tangible properties of the System and also any tangible properties which may hereafter be added to the water system by addition, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the City Council of the Issuer.

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

"Herein" means in this Ordinance.

"Holder of the Bond" or any similar term means any person who shall be the registered owner of the Bond.

"Issuer" or "City" means City of Ravenswood, Jackson County, West Virginia, and, where appropriate, also means the Governing Body.

"Mayor" means the Mayor of the Governing Body.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of Operating Expenses, as defined below.

"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, 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, and retention of a sum not to exceed one-sixth of the budgeted operating

expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bond and into the Reserve Fund and Depreciation Reserve have been made to the last monthly payment date prior to the date of such retention.

"Ordinance" means this Ordinance and all resolutions supplemental hereto.

"1977 Ordinance" means the ordinance providing for the 1977 Bond, adopted March 15, 1977.

"Placement Agent" means Crews & Associates, Inc., Charleston, West Virginia.

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidence of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;
- (f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

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

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6, of the West Virginia Code of 1931, as amended; and

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

"Recorder" means the Recorder of the Governing Body.

"Registrar" or "Bond Registrar" means the Issuer which usually shall act by its Recorder.

"Revenues" or "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 principles.

"System" means all existing water facilities owned by the Issuer and all Facilities and other property of every nature, real or personal, now or hereafter acquired and/or owned, held or used in connection with the System, including mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, purification plants, softening apparatus and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a public water system; and shall also include any and all additions, extensions, improvements, replacements, properties or other facilities at any time acquired or constructed for said water system after completion of the Project.

"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, and words importing persons shall include firms and corporations; words importing the masculine, feminine or neuter genders shall include any other gender; and any requirement for execution, sealing and/or attestation of the Bonds or any certificate or other document by the Recorder shall mean that such Bond certificate or other document may be executed, sealed and/or attested by an Acting Recorder.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. There is hereby authorized the refunding of certain existing indebtedness of the Issuer at an estimated cost of \$485,000 in accordance with the plan of finance developed by the Placement Agent and heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions hereof, the Bond of the Issuer to be known as "City of Ravenswood, Water Revenue Refunding Bonds, Series 1999" in the principal amount of \$485,000, is hereby authorized to be issued for the purpose of refinancing certain existing indebtedness of the Issuer.

Section 3.02. Description of Bonds. The Bonds shall be issued in a series, in registered form, from No. R-1 upward, and shall be dated on the date of delivery. The Bonds shall bear interest from the date sold, payable semi-annually at the rate agreed upon with the purchaser thereof, and shall be sold for the par value thereof.

The Bonds shall be subject to prepayment of scheduled semi-annual installments, or any portion thereof, at the option of the Issuer and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor and its corporate seal shall be affixed thereto and attested by the Recorder, and the Mayor and the Recorder are hereby authorized to execute the Bonds and such other documents as are necessary to finalize this transaction. In case any one or more of the officers who shall have signed or sealed the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of

the Issuer by such person as at the actual time of the execution of such Bond shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.04. Negotiability, Registration, Transfer and Exchange of Bonds. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, but the Bonds may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.05 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. No interest in the Bond shall be transferable except by means of transfer of registration of a Bond representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Ordinance.

Whenever the Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Registrar with respect to such transfer.

No registration of transfer of the Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on such Bonds.

Section 3.05. Registrar. The Commission shall be the Bond Registrar and will keep or cause to be kept by its agent at its office, sufficient books for the registration and transfer of the Bonds, and upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register the Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bonds as hereinbefore provided.

The Registrar shall accept the Bonds for registration or transfer only if ownership thereof is to be registered in the name of an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or social security numbers of the settlor and beneficiaries of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any of the Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his, her or its ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require.

The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Revenues. The payment of the debt service of the Bonds shall be secured forthwith by a lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The net revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any supplemental resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)
\$485,000
CITY OF RAVENSWOOD
WATER REVENUE REFUNDING BONDS, SERIES 1999

No. R-1

Date: March __, 1999

FOR VALUE RECEIVED, the CITY OF RAVENSWOOD, a municipal corporation and political subdivision of the State of West Virginia, in Jackson County of said State (herein called "Issuer"), hereby promises to pay to the order of _____ Bank (the "Bank"), or its registered assigns, at the offices of the West Virginia Municipal Bond Commission, the principal sum of Four Hundred Eighty-five Thousand and 00/100 Dollars (\$485,000.00), plus interest on the unpaid principal balance at the rate of _____ percent (___%) per annum. Interest shall be paid in semi-annual installments on January 1 and July 1 of each year beginning July 1, 1999. Principal shall be paid annually on July 1 of each year beginning July 1, 1999, except that the final installment shall be paid on July 1, 2017, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Issuer in its capacity as Registrar.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Issuer. Extra payment shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

Any amount advanced or expended by the Bank for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Bank shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Issuer to the Bank without demand.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of the water system (the "System") of the Issuer, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the Bank in person or by its attorney duly authorized in writing, at the office of the Issuer, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 19 of Chapter 8 of the West Virginia Code (herein called the "Act").

The initial address of Bank for purposes of bond registration is _____,
West Virginia 2_____.

IN WITNESS WHEREOF, the CITY OF RAVENSWOOD has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

CITY OF RAVENSWOOD

(SEAL)

By: _____
Mayor
212 Walnut Street
Ravenswood, WV 26164-1838

ATTEST:

By: _____
Recorder

(Form of Assignment)

ASSIGNMENT

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

DATED: _____

In the presence of:

ARTICLE IV

REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with (or continued if previously established by the 1977 Ordinance), and shall be held by the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established or continued by the 1977 Ordinance and continued hereby);
- (2) Operation and Maintenance Fund (established or continued by the 1977 Ordinance and continued hereby);
- (3) Depreciation Fund (established or continued by the 1977 Ordinance and continued hereby); and
- (4) Refunding Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created and established with the Commission:

- (1) Series 1999 Bond Sinking Fund.

Section 4.03. Bond Proceeds; Refunding Account. All moneys received from the sale of the Bond shall be deposited upon receipt by the Issuer in the Depository Bank, a member of Federal Deposit Insurance Corporation (FDIC), in a special account hereby now established and designated as "City of Ravenswood Water System Refunding Account (herein called the "Refunding Account"). The moneys in the Refunding Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of state and municipal funds under West Virginia law. Moneys in the Refunding Account shall be expended by the Issuer solely for the purposes provided herein.

The Issuer will transfer any excess funds from the Refunding Account and pay to the holder of the Bonds on or before the due date, such sums as shall be from time to time required to make the semi-annual installment payments on the Bonds if there are not sufficient Net Revenues to make such semi-annual payment.

If the Issuer shall determine at any time that all funds on deposit in the Refunding Account exceed the estimated disbursements on account of the refunding, the Issuer may invest such excess funds in Qualified Investments.

Pending application as provided in this Section 4.03, money and funds in the Refunding Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

Any balance remaining in the Refunding Account shall be promptly transmitted to the Commission with directions that such funds be used immediately to redeem or prepay the 1999 Bonds.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1999 Bond Sinking Fund and the Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bond as follows:

(A) Revenue Fund. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" originally established under the 1977 Ordinance and which is hereby continued hereunder with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

(B) Disposition of Revenues. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first each month deposit sufficient moneys from the Revenue Fund into the Operation and Maintenance Fund to pay all current Operating Expenses.

(2) The Issuer shall next, each month, on or before the due date of payment of each installment on the Bonds, transfer from the Revenue Fund and deposit into the Series 1999 Bonds Sinking Fund (or such other place as may be provided pursuant to the Bonds), the amount required to pay the interest on the Bonds, and to amortize the principal of the Bonds over the life of the Bond issue.

(3) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, moneys remaining therein and not permitted to be retained therein, if any ("Surplus Revenues"), may be used to prepay installments of the Bonds or for any lawful purpose.

Whenever the money in the Series 1999 Bond Sinking Fund shall be sufficient to prepay

the Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 1999 Bond Sinking Fund, and the Depository Bank is hereby designated as the Fiscal Agent for the administration of the other accounts, herein provided, and all amounts required for the Series 1999 Bond Sinking Fund and the other accounts will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the holder of the Bonds shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Commission and the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

The Depository Bank, at the direction of the Issuer, shall keep the moneys in the Depreciation Fund invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Ordinance shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Board of Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account.

(C) Change of Depository Agent and Fiscal Agent. The Issuer may designate another bank or trust company insured by FDIC as Fiscal Agent and Depository Bank if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by ordinance that said Bank or its successor should no longer serve as Fiscal Agent or Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the holder of the Bonds.

(D) Charges and Fees. The Issuer shall remit from the Revenue Fund to the Commission and to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission and the Depository Bank then due.

(E) Investment of Excess Balances. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of state and municipal funds under the laws of the State.

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

(G) Gross Revenues. The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1999 Bond Sinking Fund a sum sufficient to prepay the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the holder of the Bonds.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce net revenues equal to not less than one hundred ten percent (110%) percent of the annual debt service on the Bond and to make the payments required herein into the Depreciation Fund and all the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the holder of the Bonds so long as the Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional parity bonds or obligations payable out of the revenues of the System or any part thereof shall be issued after the issuance of the Bond pursuant hereto except with the prior written consent of the holder of the Bonds or Trustee or agent for the holder of the Bonds.

Section 5.05. Insurance and Bond. The Issuer hereby covenants and agrees that it will, as an expense of operation and maintenance of the System, procure, carry and maintain, so long as the Bond remains outstanding, insurance with a reputable insurance carrier or carriers covering

the following risks and in the following amounts:

(a) Real Property Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Bonds.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(d) Workers' Compensation Coverage for all Employees of the City Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of one hundred percent (100%) of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of Jackson County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation insurance will be maintained as required by the laws of the State of West Virginia.

(e) Fidelity Bonds will be provided as to every member of the Governing Body and every officer and employee of the City having custody of the Revenue Fund or of any revenues or other funds of the System in an amount at least equal to the total annual debt service requirements for all outstanding RUS loans.

(f) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond is outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the

Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the holder of the Bonds may specify, with insurance carriers or bonding companies acceptable to the holder of the Bonds.

Section 5.06. Statutory Mortgage. For the further protection of the holders of the 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 and shall take effect immediately upon delivery of the Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any semi-annual amortization installment at the date specified for payment thereof and/or;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bonds or herein, or violation of or failure to observe any provision of any pertinent law or of this Bond Ordinance.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the holder of the Bonds may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights and shall have all rights prescribed by the Act, W.Va. Code and other applicable law.

Upon application by the holder of the Bonds, such court may, upon proof of such default, appoint a receiver for the affairs of the Issuer and the System. The Receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 5.09. Fiscal Year Budget. While the Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty (30) days prior to the beginning of each fiscal year, the Issuer agrees to adopt an Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the holder of the Bonds by the beginning of each fiscal year.

If for any reason the Issuer shall not have adopted an Annual Budget before the first day

of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of an Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten percent (10%); and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the holder of the Bonds.

Section 5.10. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.11. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the refunding of its existing indebtedness.

Section 5.12. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the holder of the Bonds shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the holder of the Bonds. The Issuer further covenants to comply with the Act with respect to such books, records and accounts.

Section 5.13. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bonds are outstanding.

Section 5.14. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 5.15. Tax Covenants as to Tax Exempt Status of Bonds.

1. The Issuer covenants that (a) it shall not permit or cause to be done any act or thing which would result in the loss of exemption from tax of interest on the Bonds under Section

103(a) of the Internal Revenue Code and the regulations thereunder, or under any successor or similar provision of the Internal Revenue Code hereinafter enacted and applicable to the Bond and regulations thereunder; (b) it shall not invest or otherwise use or permit or cause to be invested or used, any of the proceeds of the Bonds, or moneys deemed to be proceeds of the Bond under the Internal Revenue Code, directly or indirectly, in any manner which would result in such Bonds being classified as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Service Code or regulations thereunder, and each shall comply with the requirements of such Section and (c) no part of the proceeds of the Bonds or any funds held under the Ordinance shall at any time be used directly or indirectly for any purpose for which would cause the Bonds to be subject to treatment as a "private activity bond" under the Internal Revenue Code or regulations thereunder and to that end the Issuer will comply with the applicable law as long as the Bonds are outstanding.

2. The Issuer hereby further covenants and agrees as follows:

A. **PRIVATE BUSINESS USE LIMITATION.** The Issuer shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds are used for private business use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a private business use or in payments in respect of property used or to be used for a private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a private business use, and that (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Bonds are used for a private business use, and (B) an amount in excess of five percent (5%) of the principal or five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said private business use or in payments in respect of property used or to be used for the Issuer, in respect of property or borrowed money used or to be used for said private business use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a private business use shall be used for a Private Business Use related to the governmental use of the System.

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

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

D. **INFORMATION RETURN.** The Issuer will file all statements, instruments and

returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. **FURTHER ACTIONS.** The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Holder) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Holder) which would adversely affect such exclusion.

ARTICLE VI

RATES, RULES, COVENANTS, ETC.

Section 6.01. Schedule of Rates and Charges.

The schedule of rates and charges for the services and facilities of the System shall be as set forth in a Tariff on file with the Public Service Commission effective February 20, 1998, which Tariff is incorporated herein by reference and is made a part hereof.

Section 6.02. Further Covenants

The Issuer hereby further covenants and agrees as follows:

A. There shall not be any discrimination or differential in rates between customers in similar circumstances.

B. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

C. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

D. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have such remedies and powers as are provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

E. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the

System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other Revenues of the System.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Defeasance of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Ordinance, then with respect to the Bond, the pledge of Net Revenues and other moneys and securities pledged under this Bond Ordinance and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bonds, the Issuer shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter shall file such Financing Statements in the offices of the Secretary of State of West Virginia and of the Clerk of the County Commission of Jackson County.

Section 7.03. Delivery of Bonds. The Mayor and Recorder of the Governing Body are hereby authorized and directed to cause the Series 1999 Bonds, numbered R-1 and upward, to be sold and delivered upon such terms and conditions as are set forth in a Supplemental Resolution.

Section 7.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bonds.

Section 7.05. Conflicting Provisions Repealed. All ordinances and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed.

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Modification or Amendment. The Bond Ordinance may not be modified or amended in any material manner after final passage without the prior written consent of the holder of the Bonds.

Section 7.08. 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 applicable thereto; and that the Mayor, Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.09. Supplemental Resolutions. The Issuer may pass such supplemental resolutions, if necessary, to effectuate the purposes and intent of this Ordinance.

Section 7.10. Effective Time. This Ordinance shall take effect immediately upon its adoption.

Section 7.11 Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond 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 two (2) successive weeks within a period of ten (10) consecutive days, with at least six (6) full days intervening between each publication, in a qualified newspaper published and of general circulation in the City of Ravenswood or Jackson County, together with a notice stating that this Bond Ordinance has been adopted and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the City Council upon a date certain, not less than ten (10) days subsequent to the date of the first publication of such abstract of this Bond Ordinance and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard, and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading – March 2, 1999.

Passed on Second Reading – March 16, 1999.

Passed on Final Reading
Following Public Hearing – March 30, 1999.

CITY OF RAVENSWOOD

[SEAL]

By: Celair Roseberry
Mayor

Attest:

By: Katherine Barrett
Recorder

CERTIFICATION

I, Katherine Garrett, Recorder of the City of Ravenswood, hereby certify that the foregoing is a true and correct copy of an Ordinance approved on second reading at a meeting of the City Council of the City of Ravenswood held on March 16, 1999, and considered at a public hearing held on March 30, 1999. I further hereby certify that the action of said City Council set forth therein remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 30th day of March 1999.


Recorder