

CITY OF RAVENSWOOD

**Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)**

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Bond Ordinance
2. Supplemental Resolution
3. United States Department of Agriculture Loan Resolution for Series 2012 A Bonds
4. Receipt for Bonds
5. Specimen Series 2012 A Bond
6. Registration Book

OPINIONS OF COUNSEL

7. Approving Opinion of Steptoe & Johnson PLLC, Bond Counsel
8. Opinion of Counsel to Issuer
9. Title Opinions

CERTIFICATES

10. Combined Certificate of Issuer and Attorney

DOCUMENTS OF THE ISSUER

11. City Charter
12. Oaths of Office of Officers and Councilmembers
13. Resolution on Open Governmental Proceedings

14. Sewer Rate Ordinance
15. Minutes on Adoption and Enactment of Sewer Rate Ordinance
16. Affidavit of Publication for Notice of Public Hearing on Sewer Rate Ordinance
17. Petition of Sanitary Board
18. Affidavit of Publication on Bond Ordinance
19. Minutes on Adoption and Enactment of Bond Ordinance
20. Municipal Bond Commission New Issue Report

MISCELLANEOUS DOCUMENTS

21. United States Department of Agriculture Letter of Conditions
22. Receipt of Depository Bank
23. Receipt and Release of Series 2006
24. Closing Memorandum
25. Public Service Commission Orders
26. Consent of USDA
27. Prior Bond Ordinances
 - A. Series 2002
 - B. Series 2006 A & Series 2006 B

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CITY OF RAVENSWOOD
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

BOND ORDINANCE

Table of Contents

ARTICLE I

**STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS**

Section 1.01	Authority for this Ordinance
Section 1.02	Findings and Determinations
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

ARTICLE II

AUTHORIZATION OF PAYMENT OF THE PRIOR NOTES

Section 2.01	Authorization of Payment of the Prior Notes
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ARTICLE III

**AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BONDS**

Section 3.01	Authorization of Bonds
Section 3.02	Description of Bonds
Section 3.03	Negotiability, Registration, Transfer and Exchange of Bonds
Section 3.04	Bond Registrar
Section 3.05	Execution of Bonds

Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds Secured by Pledge of Gross Revenues
Section 3.08	Form of Bonds FORM OF BOND

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01	Establishment of Funds and Accounts with Depository Bank
Section 4.02	Establishment of Funds and Accounts with Commission
Section 4.03	Bond Proceeds; Project Account
Section 4.04	Covenants of the Issuer as to Revenues and Funds

ARTICLE V

GENERAL COVENANTS

Section 5.01	General Statement
Section 5.02	Rates
Section 5.03	Sale of the System
Section 5.04	Issuance of Additional Parity Bonds or Obligations
Section 5.05	Insurance and Bonds
Section 5.06	Statutory Mortgage Lien
Section 5.07	Events of Default
Section 5.08	Enforcement
Section 5.09	Fiscal Year; Budget
Section 5.10	Covenant to Proceed and Complete
Section 5.11	Books and Records; Audits
Section 5.12	Maintenance of System
Section 5.13	No Competition

ARTICLE VI

RATES, ETC.

Section 6.01	Initial Schedule of Rates and Charges; Rules
--------------	--

ARTICLE VII

MISCELLANEOUS

Section 7.01	Payment of Bonds
Section 7.02	Modification or Amendment
Section 7.03	Delivery of Bonds
Section 7.04	Severability of Invalid Provisions
Section 7.05	Conflicting Provisions Repealed
Section 7.06	Table of Contents and Headings
Section 7.07	Covenant of Due Procedure, Etc
Section 7.08	Statutory Notice and Public Hearing
Section 7.09	Effective Time
	SIGNATURES
	CERTIFICATION

CITY OF RAVENSWOOD

ORDINANCE AUTHORIZING THE PAYMENT OF THE SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2006 (WEST VIRGINIA HOUSING DEVELOPMENT FUND) OF THE CITY OF RAVENSWOOD, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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 16, Article 13 of the West Virginia Code of 1931, 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. 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 sewerage system. The Issuer acquired and constructed certain extensions, additions, betterments and improvements for the existing public sewerage system of the Issuer, known as the Jackson's Crossing Sewer Project, (collectively, the "Project"), (the existing public sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer has heretofore temporarily financed the costs of the Project by the issuance of the Sewerage System Bond Anticipation Notes, Series 2006, dated September 22, 2006, issued in the original aggregate principal amount of \$1,444,000 (the "Prior Notes").

D. The Prior Notes were issued pursuant to an Ordinance of the Issuer previously enacted for such purpose (such resolution, as amended and supplemented is herein called the "Prior Notes Ordinance").

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

F. The estimated revenues to be derived in each year 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 Series 2012 A Bonds and the Prior Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein and in the Prior Ordinance,

G. The estimated cost to pay the Prior Notes is not to exceed \$2,000,000 which will be obtained from the proceeds of sale of the Bonds herein authorized.

H. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds Series 2012 A (United States Department of Agriculture) in one or more series, in the aggregate principal amount of \$2,000,000 (the "Series 2012 A Bonds"), to pay the Prior Notes and permanently finance the Project. The cost of the Project shall be deemed to include, without being limited to, the acquisition and construction of the Project; the acquisition of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2012 A Bonds prior to and during acquisition and construction, and for a period not exceeding six months after completion of such acquisition or construction, of the Project; engineering, fiscal agents 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 Project, administrative expense, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2012 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

I. The period of usefulness of the System, as herein defined, after closing of the Series 2012 A Bonds is not less than 40 years.

J. The Issuer has outstanding its: (i) Sewer Revenue Bonds, Series 2002, dated December 19, 2002, issued in the original aggregate principal amount of \$320,000 and currently held by Wesbanco Bank, Inc. (the "Series 2002 Bonds"); (ii) Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated June 19, 2006, issued in the original aggregate principal amount of \$2,844,000 (the "Series 2006 A Bonds"); and (iii) Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture), dated June 19, 2006, issued in the original aggregate principal amount of \$1,356,000 (the "Series 2006 B Bonds"), (collectively, the "Prior Bonds"). The Prior Bonds are payable from and secured by a first lien on the Net Revenues (as hereinafter defined)

of the System. After payment of the Prior Notes, other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and Prior Ordinances.

The Series 2012 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects.

The Issuer is not in default under the terms of the Prior Bonds, or the resolutions authorizing issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

Prior to the issuance of the Series 2012 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Series 2006 A Bonds and Series 2006 B Bonds to the issuance of the Series 2012 A Bonds on a parity with the Prior Bonds. The Series 2002 Bonds do not require consent. 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.

K. It is in the best interest of the Issuer that the Series 2012 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated April 24, 2006, and any amendments, thereto (collectively, the "Letter of Conditions").

L. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2012 A Bonds for the purposes set forth herein.

M. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2012 A Bonds, or will have so complied prior to issuance of the Series 2012 A Bonds, including, among other things and without limitation, obtaining a certificate of convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03 Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2012 A Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, 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 Series 2012 A Bonds.

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

“Act” means Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended.

“Bond Legislation” or “Ordinance” means this Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

“Bond Registrar” or “Registrar” means the Issuer, which shall usually so act by its Recorder.

“Bonds” means collectively, the Series 2012 A Bonds, the Prior Bonds and where appropriate, any bonds on a parity herewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

“Closing Date” means the date upon which there is an exchange of the Series 2012 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2012 A Bonds from the Purchaser.

“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 Engineer” means Burgess & Niple, Parkersburg, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

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

“Facilities” or “Sewerage System” means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, 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 12-month period beginning on July 1 and ending on the succeeding June 30.

“Governing Body” or “Council” means the Council of the Issuer.

“Government Obligations” means direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America.

“Herein” or “herein” means in this Bond Legislation.

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

“Issuer” or “Borrower” means the City of Ravenswood, a municipal corporation and political subdivision of the State of West Virginia, in Jackson County, West Virginia, and includes the Governing Body.

“Letter of Conditions” means, collectively, the Letter of Conditions of the Purchaser dated April 24, 2006 and all amendments thereto, if any.

“Mayor” means the Mayor of the Issuer.

“Minimum Reserve” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 A Bonds in the then current or any succeeding year.

“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 Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and 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 principles 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 Series 2012 A Bonds and into the respective reserve accounts and the Renewal and Replacement Fund have been made to the last monthly date prior to the date of such retention.

“Ordinances” means, the Bond Legislation.

“Prior Bonds” means the Series 2002 Bonds, the Series 2006 A Bonds and the Series 2006 B Bonds.

“Prior Notes” means the Sewerage System Design Bond Anticipation Notes, Series 2006, dated September 22, 2006, issued in the original aggregate principal amount of 1,444,000.

“Prior Notes Ordinance” means the Ordinances of the Issuer authorizing the Prior Notes.

“Prior Ordinance” means the Ordinances of the Issuer authorizing the Prior Bonds.

“Project” shall have the meaning stated in Section 1.02B above.

“Purchaser” or “Government” means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

“Qualified Investments” means and includes any of the following, to the extent such investments are permitted by law:

(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 (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia “consolidated fund” managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended; and

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

“Recorder” means the Recorder of the Issuer.

“Registered Owner,” “Bondholder,” “Holder of the Bond” or any similar term means any person who shall be the registered owner of the Series 2012 A Bonds.

“Reserve Funds” means, the respective reserve funds for the Series 2012 A Bonds and the Prior Bonds.

“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 practices.

“Series 2002 Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2002 (WesBanco Bank, Inc.) dated December 19, 2002, issued in the original aggregate principal amount of \$320,000.

“Series 2006 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture) dated June 19, 2006, issued in the original aggregate principal amount of \$2,844,000.

“Series 2006 B Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture) dated June 19, 2006, issued in the original aggregate principal amount of \$1,356,000.

“Series 2012 A Bonds” means the Sewer Revenue Bonds (United States Department of Agriculture) issued in one or more series authorized by this Ordinance.

“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 2012 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2012 A Bonds, and not so included may be included in another Supplemental Resolution.

“System” means the complete sewer system of the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the sewer systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the sewer system from any source whatsoever.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2012 A Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2012 A Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Recorder.

ARTICLE II

AUTHORIZATION OF PAYMENT OF THE PRIOR NOTES

Section 2.01. Authorization of Payment of the Prior Notes. There is hereby authorized and ordered the payment in full of the entire outstanding principal of and the interest on the Prior Notes on the Closing Date. The cost of which will be paid from the proceeds of the Series 2012 A Bonds. Upon payment in full of the Prior Notes, any funds pledged in favor of the holders of the Prior Notes imposed by the Prior Notes Ordinance are hereby ordered terminated, discharged and released.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2012 A Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount of not to exceed \$2,000,000 for the purpose of permanently financing the cost of the Project.

Section 3.02. Description of Bonds. The Series 2012 A Bonds shall be issued in one or more series, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Series 2012 A Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 4.375% per annum, and shall be sold for the par value thereof. The said principal and interest shall be paid in the installments and interest rate as determined by Supplemental Resolution.

The Series 2012 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03 Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2012 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2012 A Bonds, and the right to the principal of and stated interest on the Series 2012 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2012 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2012 A 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 Bond 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 Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2012 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2012 A Bonds.

Section 3.04 Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2012 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2012 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2012 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2012 A Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2012 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2012 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2012 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2012 A Bonds shall cease to be such officer of the Issuer before the Series 2012 A Bonds so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2012 A Bonds had not ceased to hold such office. The Series 2012 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 Series 2012 A Bonds 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 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2012 A 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 ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2012 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2012 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2012 A Bonds the Issuer may pay the same, and, if such Series 2012 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2012 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2012 A Bonds on a parity with the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2012 A Bonds and the Prior Bonds and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2012 A Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2012 A Bonds 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 by any ordinance enacted after the date of enactment hereof and prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2012 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
SEWER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. AR-1

Date: _____, 2012

FOR VALUE RECEIVED, the CITY OF RAVENSWOOD (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS (\$ _____), plus interest on the unpaid principal balance at the rate of _____ % per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the sewer system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931 (herein called the "Act"), and an Ordinance of Borrower duly adopted on _____, 2012, and Supplemental Resolution duly adopted on _____, 2012, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

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: (I) SEWER REVENUE BONDS, SERIES 2002, DATED DECEMBER 19, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$320,000 AND CURRENTLY HELD BY WESBANCO BANK, INC. (THE "SERIES 2002 BONDS"); (II) SEWER REVENUE BONDS, SERIES 2006 A, DATED JUNE 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,844,000, AND CURRENTLY HELD BY USDA (THE "SERIES 2006 A BONDS"); AND (III) SEWER REVENUE BONDS, SERIES 2006 B, DATED JUNE 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,356,000, AND CURRENTLY HELD BY THE USDA (THE "SERIES 2006 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

[CORPORATE SEAL]

Mayor

212 Walnut Street
Ravenswood, West Virginia 26164

ATTEST:

Recorder

EXHIBIT A
RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ 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 Borrower with full power of substitution in the premises.

Dated: _____, 20____.

In presence of:

ARTICLE IV

SYSTEM 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 hereby created (or continued if previously established by Prior Ordinance) and established with, and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established by Prior Ordinance and continued hereby);
- (2) Operation and Maintenance Fund (established by Prior Ordinance and continued hereby);
- (3) Renewal and Replacement Fund (established by Prior Ordinance and continued hereby); and
- (4) Series 2012 A Bonds Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by Prior Ordinance) with and shall be held by, the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 2006 A Bonds Reserve Account (established by Prior Ordinance and continued hereby);
- (2) Series 2006 B Bonds Reserve Account (established by Prior Ordinance and continued hereby); and
- (3) Series 2012 A Bonds Reserve Account.

Section 4.03. Bond Proceeds. The proceeds of sale of the Series 2012 A Bonds shall be deposited upon receipt by the Issuer in the Series 2012 A Bonds Account. The monies in the Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Series 2012 A Bonds Account shall be expended by the Issuer solely for the purposes provided herein.

Pending application as provided in this Section 4.03, money and funds in the Series 2012 Bonds Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When payment of the prior Notes has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2012 A Bonds Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Series 2012 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2012 A Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2012 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2012 A Bonds as follows:

A. **REVENUE FUND.** The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances 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 Ordinances.

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, subject to the provisions of the Prior Ordinances not otherwise modified herein:

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

(2) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund and simultaneously remit (i) to the Commission for deposit in the Series 2002 Bonds Sinking Fund, the amount required by the Prior Ordinance to pay the interest on the Series 2002 Bonds; and (ii) to the National Finance Office the amounts required to pay interest on the Series 2006 A Bonds, Series 2006 B Bonds and Series 2012 A Bonds.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously (i) on or before the due date thereof, remit to the Commission for deposit in the Series 2002 Bonds Sinking Fund, the amount required by the Prior Ordinance to pay the principal of the Series 2002 Bonds; (ii) on or before the due date thereof, remit to the National Finance Office, the amount required by the Prior Ordinance to pay the principal of the Series 2006 A Bonds and Series 2006 B Bonds; and (iii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2012 A Bonds, the amount required to amortize the principal of the Series 2012 A Bonds over the life of the bond issue.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Commission, the amount required by the Prior

Ordinance to be deposited in the respective Reserve Accounts for the Series 2006 A Bonds and Series 2006 B Bonds; and (ii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, thereafter, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2012 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount each month, until the amount in the Series 2012 A Bonds Reserve Account equals the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 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 2012 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 ½ % of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose of the System.

Whenever the monies in the Series 2012 A Bonds Reserve Account shall be sufficient to prepay the Series 2012 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2012 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2012 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day if each month), deposit with the Commission the required reserve account payments with respect to the Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

The Revenue Fund and the Renewal and Replacement Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2012 A Bonds and the interest thereon, but 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 on a parity and pro rata with respect to the Prior Bonds.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2012 A Bonds Reserve Account and the Renewal and Replacement 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 Legislation shall, unless otherwise 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 Board of Treasury Investments. 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 interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2012 A Bonds Reserve Account so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK AND FISCAL AGENT. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank and Fiscal Agent if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2012 A Bonds, provide evidence that there will be at least 1769 bona fide users upon the System, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission or the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in lawful manner for securing deposits of State and municipal funds under the laws of the State of West Virginia.

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

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

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2012 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2012 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2012 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2012 A Bonds.

Section 5.02. Rates. Prior to the issuance of the Series 2012 A Bonds, 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 (i) will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Series 2012 A Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes; and (ii) so long as the Prior Bonds are Outstanding to provide for all reasonable expenses of operation, repair, maintenance of the System and to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues; provided that, in the event that an amount equal to or in excess of the reserve requirements for the Bonds prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least

110% of the maximum amount required in any Fiscal year for the payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues.

Section 5.03. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance. Additionally, the System will not be sold without the prior written consent of the Purchaser so long as the Series 2012 A Bonds are outstanding.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds or obligations payable out of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

So long as the Series 2006 A Bonds, Series 2006 B Bonds or the Series 2012 A Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2012 A Bonds, representing 75% of the then-outstanding principal indebtedness.

So long as the Series 2002 Bonds are Outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

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

The “estimated average increased annual Net Revenues expected 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 prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period 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, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2012 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2012 A Bonds .

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Ordinances with respect to the Series 2012 A Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinances.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2012 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the actual cost 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 in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 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 \$500,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2012 A 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 \$1,000,000 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 ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of a construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction in compliance with West Virginia Code Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

E. FLOOD INSURANCE to be procured, to the extent available at reasonable cost to the Issuer; provided, however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee of the Issuer having custody of the Revenue Fund or of any Revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, so long as the Series 2012 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2012 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2012 A Bonds and shall be for the equal benefit of the Series 2012 A Bonds on a parity with the Prior 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 monthly amortization installment upon the Series 2012 A Bonds at the date specified for payment thereof;

B. Failure to duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2012 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law, or

C. If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 5.08. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2012 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2012 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2012 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2012 A Bonds shall be on a parity with each other and with those of the Holders of the Prior Bonds.

Any Registered Owner of the Bonds, by proper legal action, compel the performance of the duties of the Issuer under this Bond Legislation and the Act, including, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such

Bonds, any Registered Owner of the Bonds shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

Section 5.09. Fiscal Year; Budget. While the Series 2012 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the payment of the Prior Notes.

Section 5.11. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2012 A Bonds are outstanding.

Section 5.13. 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.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the rate ordinance of the Issuer enacted on May 30, 2006 which rate ordinance is incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served if not paid when due. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer shall not be liable to any customer for any damage resulting from bursting or breakage of any pipe, line, main, valve, equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatever.

G. In case of emergency, the Issuer shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the Issuer.

H. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide revenues to meet its payments and

obligations provided hereunder, but in any event, not less than 110% of the annual debt service on the Bonds outstanding after Prior Bonds are paid in full.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2012 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2012 A Bonds, the pledge of Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2012 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2012 A Bonds, the Issuer may not defease the Series 2012 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2012 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2012 A Bonds, no modification or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Series 2012 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. 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 Series 2012 A Bonds.

Section 7.05. Conflicting Provisions Repealed. Except for the Prior Ordinance, all ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

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

Section 7.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in *The Jackson Herald*, being qualified newspapers of general circulation in the City of Ravenswood, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted, and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Blank]

Section 7.09. Effective Date. This Bond Legislation shall take effect following public hearing and adoption by the Issuer hereon in accordance with the Act.

Passed on First Reading: January 17, 2012

Passed on Second Reading: February 7, 2012

Passed on Final Reading
Following Public Hearing: February 21, 2012

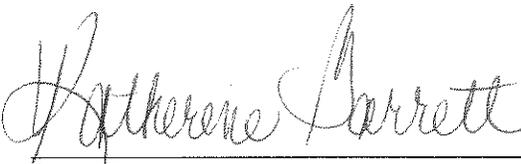

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Ravenswood on the 21st day of February, 2012.

Dated this 7th day of June, 2012.

[SEAL]



Recorder

735860.00008

CITY OF RAVENSWOOD

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2012 A OF THE CITY OF RAVENSWOOD, APPROVING A LOAN 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, February 21, 2012 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE PAYMENT OF THE SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2006 (WEST VIRGINIA HOUSING DEVELOPMENT FUND) OF THE CITY OF RAVENSWOOD, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds, Series 2012 A, of the Issuer (the "Series 2012 A Bonds"), in an aggregate principal amount not to exceed \$2,000,000, and has authorized the execution and delivery of the documents relating to the Bonds, all in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted;

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 Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of \$1,334,604. The Series 2012 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 3.375% per annum with principal and interest payable in monthly installments of \$5,072 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2012 A Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2012 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2012 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 2. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Ravenswood, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 3. The payment of the Series 2006 Notes and the financing thereof in part with proceeds of the Series 2012 A 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 4. The estimated maximum cost to pay the Series 2006 Notes is \$1,333,099.71 which will be obtained from the proceeds of the sale of the Series 2012 A Bonds.

Section 5. The Issuer hereby approves and accepts all contracts relating to the payment of the Series 2006 Notes.

Section 6. The Mayor and the Recorder are hereby authorized and directed to execute and deliver the USDA Loan Resolution 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 June 7, 2012, to the Purchaser.

Section 7. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 15th day of May, 2012.


Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Ravenswood on the 15th day of May, 2012.

Dated: June 7, 2012.

[SEAL]

A handwritten signature in cursive script that reads "Katherine Barrett". The signature is written in black ink and is positioned above a horizontal line.

Recorder

735860.00008

(Automated 8-97)

LOAN RESOLUTION
(Public Bodies)

COPY

A RESOLUTION OF THE _____
City Council

OF THE _____
City of Ravenswood

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS
Sewer Line Extension Project

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the _____
City of Ravenswood
(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of
ONE MILLION THREE HUNDRED THIRTY-FOUR THOUSAND SIX HUNDRED AND FOUR DOLLARS (\$1,334,604.00)

pursuant to the provisions of _____
Chapter 16, Article 13, West Virginia Code _____; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture,
(herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921
et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event
that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0015), Washington, DC 20503.

Y900

- 11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
- 12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
- 13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
- 14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
- 15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
- 16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
- 17. To accept a grant in an amount not to exceed \$ 0.00

under the terms offered by the Government; that the Mayor

and Recorder of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 6 Nays -0- Absent -0-

IN WITNESS WHEREOF, the City Council of the

City of Ravenswood has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 2012, 15th day of May

City of Ravenswood

(SEAL)

Attest:

Title

Kathy Garrett, Recorder

By

Title

Lucy J. Harbert

Lucy J. Harbert

Mayor

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Recorder of the City of Ravenswood

hereby certify that the City Council of such Association is composed of

6 members, of whom, 6 constituting a quorum, were present at a meeting thereof duly called and

held on the 15th day of May 2012; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of June 27, 2012, the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 27th day of June 2012



Kathy Garrett

Title Recorder

CITY OF RAVENSWOOD

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

RECEIPT FOR BOND

The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies as follows:

1. On the 7th day of June, 2012, at Ravenswood, West Virginia, the undersigned received for the Purchaser the single, fully registered City of Ravenswood Sewer Revenue Bonds, Series 2012 A (United States Department Agriculture), No. AR-1 (the "Series 2012 A Bonds"), in the principal amount of \$1,334,604, dated as of the date hereof, bearing interest at the rate of 3.375% per annum, and payable in monthly installments as stated in the Bond.

2. At the time of such receipt, the Series 2012 A Bonds had been executed and sealed by the designated officials of the City of Ravenswood (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of \$1,334,604, being the entire principal amount of the Series 2012 A Bonds.

WITNESS my signature on this 7th day of June, 2012.


Authorized Representative

735860.00008

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
SEWER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$1,334,604

No. AR-1

Date: June 7, 2012

FOR VALUE RECEIVED, the CITY OF RAVENSWOOD (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION THREE HUNDRED THIRTY FOUR THOUSAND SIX HUNDRED AND FOUR DOLLARS (\$1,334,604), plus interest on the unpaid principal balance at the rate of 3.375% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of \$5,072, covering principal and interest, commencing July 7, 2012 and continuing thereafter on said corresponding day of each month, except that the final installment shall be paid June 7, 2052, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the sewer system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond is issued (i) to pay a the Sewerage System Bond Anticipation Notes, Series 2006, dated September 22, 2006, issued in the original aggregate principal amount of \$1,444,000; and (ii) to pay costs of issuance and related costs. This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931 (herein called the "Act"), and an Ordinance of Borrower duly adopted on February 21, 2012, and Supplemental Resolution duly adopted on May 15, 2012, authorizing issuance of this Bond (collectively, the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

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: (I) SEWER REVENUE BONDS, SERIES 2002, DATED DECEMBER 19, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$320,000 AND CURRENTLY HELD BY WESBANCO BANK, INC. (THE "SERIES 2002 BONDS"); (II) SEWER REVENUE BONDS, SERIES 2006 A, DATED JUNE 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,844,000, AND CURRENTLY HELD BY USDA (THE "SERIES 2006 A BONDS"); AND (III) SEWER REVENUE BONDS, SERIES 2006 B, DATED JUNE 19, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,356,000, AND CURRENTLY HELD BY THE USDA (THE "SERIES 2006 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

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

[CORPORATE SEAL]

Lucy J. Robert

Mayor
212 Walnut Street
Ravenswood, West Virginia 26164

SPECIMEN

ATTEST:

Katherine Corbett

Recorder

SPECIMEN

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$1,334,604	June 7, 2012	(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 \$1,334,604

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____
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
Borrower with full power of substitution in the premises.

Dated: _____, 20____.

In presence of:

CITY OF RAVENSWOOD

SEWER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$1,334,604

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	June 7, 2012	United States Department of Agriculture	



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

Writer's Contact Information

June 7, 2012

City of Ravenswood
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

City of Ravenswood
Ravenswood, West Virginia

United States Department of Agriculture
Ripley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Ravenswood, in Jackson County, West Virginia (the "Issuer"), of its \$1,334,604 Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), dated the date hereof (the "Series 2012 A Bonds"), pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

The Bonds are issued for the purposes of (i) paying the Series 2006 Notes; and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond Ordinance duly enacted by the Issuer on February 21, 2012, as supplemented by the Supplemental Resolution duly adopted by the Issuer on May 15, 2012 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued. 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. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Bond Legislation and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Series 2012 A Bonds, pursuant to the provisions of the Act and other applicable provisions of law.

2. The Bond Legislation has been duly adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. Pursuant to the Act, the Bond Legislation creates a valid lien on the Net Revenues of the System for the security of the Series 2012 A Bonds on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 2002, dated December 19, 2002, issued in the original aggregate principal amount of \$320,000 and currently held by WesBanco Bank, Inc.; (ii) Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated June 19, 2006, issued in the original aggregate principal amount of \$2,844,000; and (iii) Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture), dated June 19, 2006, issued in the original aggregate principal amount of \$1,356,000 (collectively, the "Prior Bonds"). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2012 A Bonds as to liens, pledge and/or source of and security for payment.

4. The Series 2012 A Bonds have been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

5. The Series 2012 A Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes; therefore, the interest on the Series 2012 A Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2012 A Bonds.

6. The Series 2012 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, and the other taxing bodies of said State, and interest on the Series 2012 A Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

7. With proceeds from the Series 2012 A Bonds, the Series 2006 Notes have been paid in full within the meaning and with the effect expressed in the resolutions authorizing such Notes, and the covenants, agreements and other obligations of the Issuer to the owners of such Notes have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of payment from the West Virginia Municipal Bond Commission that they have received payment for the entire outstanding principal of such Notes and all interest accrued thereon on the date hereof and that such Notes have been paid in full.

City of Ravenswood, et al.
Page 3

It is to be understood that the rights of the holder of the Series 2012 A Bonds and the enforceability of the Series 2012 A Bonds, the Bond Legislation and the liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,



STEPTOE & JOHNSON PLLC

735860.00008

June 7, 2012

City of Ravenswood
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

City of Ravenswood
Ravenswood, West Virginia

United States Department of Agriculture
Ripley, West Virginia

Ladies and Gentlemen:

We are counsel to the City of Ravenswood, a municipal corporation and political subdivision of the State of West Virginia in Jackson County of said State (the "Issuer"). As such counsel, we have examined a copy of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a Bond Ordinance of the Issuer duly enacted on February 21, 2012, as supplemented by Supplemental Resolution duly adopted May 15, 2012 (collectively, the "Bond Legislation"), and other documents and papers relating to the Issuer and the above-captioned Bonds of the Issuer (the "Bonds"). Terms used in the Bond Legislation and not otherwise defined herein shall have the same meanings as in the Bond Legislation when used herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing as a municipal corporation and a political subdivision of the State of West Virginia.
2. The Mayor, Recorder, members of the Council of the Issuer and members of the Sanitary Board have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
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 consummation of the transactions contemplated by the Bonds 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 agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

5. All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bond, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from the Public Service Commission of West Virginia, and the Issuer has duly taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges, the time for appeal of which has expired prior to the date hereof without successful appeal.

6. To the best of our knowledge, there is no 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 and the Bond Legislation, the acquisition and construction of the Project, the operation of the System, or the validity of the Bonds, or the collection or pledge of the Net Revenues therefor.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

735860.00008

5944236

OPINION OF COUNSEL RELATIVE TO RIGHTS-OF-WAYDate June 5, 2012

Dear Sir:

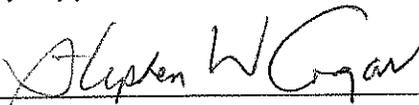
I have reviewed the action taken by The City of Ravenswood (hereinafter called the "Corporation") in obtaining a right-of-way for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of a loan made or insured by, and/or a grant from Rural Development to the Corporation. I have examined the right-of-way instruments, permits, or licenses obtained from landowners, public bodies, and public utilities and made such searches of the public records necessary to determine the legal sufficiency of the instruments covered by the "Right-of-way

Certificate," executed by the Corporation on September 22, 2006, 20 _____. I also have examined the "Right-of-way Map" to determine whether continuous and adequate land and rights-of-way are owned or have been acquired by the instruments covered in the "Right-of-way Certificate".

Based on the foregoing examination, and to the best of my knowledge, information, and belief, I am of the opinion that:

- A. The legal instruments by which the Corporation has acquired said rights-of-way (a) are in appropriate and due legal form and adequately confer upon the Corporation the necessary rights-of-way for the construction, operation, and maintenance of its facilities in their present or proposed location, and such omissions or defects as may exist will in no substantial way or manner endanger the value or operation of the facilities, and (b) have each been properly recorded in the appropriate public land records of each County in which any of the land affected thereby is situated. Such consents, releases, or subordinations from lienholders recommended by me or required by Rural Development have been obtained.
- B. The legal instruments referred to above give unto the Corporation a continuous and adequate right-of-way to permit the construction, operation, and maintenance of the Corporation's facilities except as below noted.
- C. Exceptions: None
- D. This title opinion is an update only of the previous opinion rendered by Robert D. Fisher, Esq. dated September 22, 2006, and is valid from that date until June 5, 2012, at 9:00 a.m.

Very truly yours,


Attorney for The City of Ravenswood

FINAL TITLE OPINION

LOAN APPLICANT City of Ravenswood	ADDRESS OR PROPERTY COVERED BY THIS OPINION Jackson Crossing Sewer Line Extension	
APPLICANT FOR TITLE EXAMINATION City of Ravenswood	COUNTY Jackson	STATE West Virginia

I. I have examined title to the property described in the security instrument described in paragraph II. B. below. My examination covered the period from the time of termination of title search covered by my Preliminary Title Opinion on Form RD 1927-9; or the time of recordation of the initial loan security instrument if this opinion covers land already owned by the loan applicant in a subsequent loan case, to June 5, 2012 at 9:00 a.m. (including the time of filing the current security instrument).
(Date) p.m.

II. Based on said title examination, my preliminary title examination if any, and any additional information concerning the title which has come to my attention, it is my opinion that:

A. Good and marketable title, in accordance with title examination standards prevailing in the area, to said property (real estate and any water rights offered as security) is now vested in The City of Ravenswood

as _____
(Joint tenants, tenants by the entirety, etc.)

B. The United States of America holds a valid First Statutory lien on said property as required by Rural Development or the Farm Service Agency, or their successor (Agency), which lien was filed for record on _____, at _____ a.m. and is recorded in _____ p.m.
(Priority) (Mortgage, etc.) (Date) (Book, page, and office)

C. Said property and lien are subject only to encumbrances, reservations, exceptions, and defects which were approved by written administrative waivers of the Agency attached hereto or to my Preliminary Title Opinion.

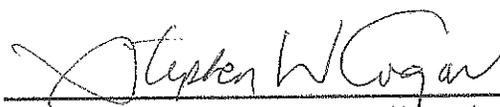
III. If a water right is involved and is not covered by the current security instrument, it is subject only to the encumbrances, reservations, exceptions, and defects set forth in said administrative waivers and was made available as security in the following manner (Water stock would normally be reissued in the names of said land owners and the United States of America and delivered to the Agency Official at the time of loan closing):

IV. This title opinion is an update only of the previous opinion rendered by Robert D. Fisher dated September 22, 2006; and is valid from that date until June 5, 2012, at 9:00 a.m.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0147. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- IV. The term "encumbrances, reservations, exceptions, and defects" means all matters which would prevent the United States from obtaining the required lien on the property identified in paragraph I, including but not limited to (a) mortgages, deeds of trust, and vendors', mechanics', materialmen's, and all other liens, including any provisions thereof for future advances which could take priority over the said lien to the United States, (b) Federal, State, and local taxes, including county, school, improvement, water, drainage, sewer, inheritance, personal property, and income, (c) State and Federal bankruptcy, insolvency, receivership, and probate proceedings, (d) judgments and pending suits, in State and Federal courts, (e) recorded covenants; conditions; restrictions; reservations; liens; encumbrances; easements; rights-of-way; leases; mineral, oil, gas, and geothermal rights (regardless of the right of surface entry); timber rights; water rights; pending court proceedings and other matters of record which affect the title of the property or the ability of the buyer or seller to convey or accept title.
- V. This opinion is issued expressly for the benefit of the above-named applicant for title examination and the United States of America acting through the United States Department of Agriculture Agency which provided the assistance, and I assume liability to each hereunder.

June 5, 2012
(Date)



(Attorney's signature)

Attachments

212 Walnut Street Ravenswood, WV 2616
(Address, include ZIP Code)

OPINION OF COUNSEL RELATIVE TO RIGHTS-OF-WAY

Date February 24, 2012

Dear Sir:

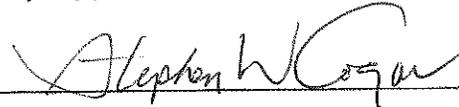
I have reviewed the action taken by The City of Ravenswood (hereinafter called the "Corporation") in obtaining a right-of-way for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of a loan made or insured by, and/or a grant from Rural Development to the Corporation. I have examined the right-of-way instruments, permits, or licenses obtained from landowners, public bodies, and public utilities and made such searches of the public records necessary to determine the legal sufficiency of the instruments covered by the "Right-of-way

Certificate," executed by the Corporation on September 22, 2006, 20 _____. I also have examined the "Right-of-way Map" to determine whether continuous and adequate land and rights-of-way are owned or have been acquired by the instruments covered in the "Right-of-way Certificate".

Based on the foregoing examination, and to the best of my knowledge, information, and belief, I am of the opinion that:

- A. The legal instruments by which the Corporation has acquired said rights-of-way (a) are in appropriate and due legal form and adequately confer upon the Corporation the necessary rights-of-way for the construction, operation, and maintenance of its facilities in their present or proposed location, and such omissions or defects as may exist will in no substantial way or manner endanger the value or operation of the facilities, and (b) have each been properly recorded in the appropriate public land records of each County in which any of the land affected thereby is situated. Such consents, releases, or subordinations from lienholders recommended by me or required by Rural Development have been obtained.
- B. The legal instruments referred to above give unto the Corporation a continuous and adequate right-of-way to permit the construction, operation, and maintenance of the Corporation's facilities except as below noted.
- C. Exceptions: None
- D. This title opinion is an update only of the previous opinion rendered by Robert D. Fisher, ESQ, dated September 22, 2006, and is valid from that date until February 24, 2012.

Very truly yours,


Attorney for The City of Ravenswood

FINAL TITLE OPINION

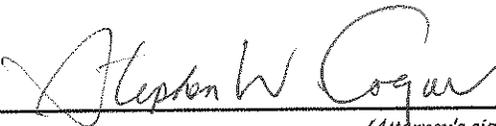
LOAN APPLICANT City of Ravenswood	ADDRESS OR PROPERTY COVERED BY THIS OPINION Jackson Crossing Sewer Line Extension	
APPLICANT FOR TITLE EXAMINATION City of Ravenswood	COUNTY Jackson	STATE West Virginia

- I. I have examined title to the property described in the security instrument described in paragraph II. B. below. My examination covered the period from the time of termination of title search covered by my Preliminary Title Opinion on Form RD 1927-9; or the time of recordation of the initial loan security instrument if this opinion covers land already owned by the loan applicant in a subsequent loan case, to February 24, 2012 at _____ a.m. (including the time of filing the current security instrument).
(Date) p.m.
- II. Based on said title examination, my preliminary title examination if any, and any additional information concerning the title which has come to my attention, it is my opinion that:
- A. Good and marketable title, in accordance with title examination standards prevailing in the area, to said property (real estate and any water rights offered as security) is now vested in The City of Ravenswood
- as _____
(Joint tenants, tenants by the entirety, etc.)
- B. The United States of America holds a valid First Statutory lien on said property as required by Rural Development or the Farm Service Agency, or their successor (Agency), which lien was filed for record on _____, at _____ a.m. and is recorded in _____ p.m.
(Priority) (Mortgage, etc.) (Date) (Book, page, and office)
- C. Said property and lien are subject only to encumbrances, reservations, exceptions, and defects which were approved by written administrative waivers of the Agency attached hereto or to my Preliminary Title Opinion.
- III. If a water right is involved and is not covered by the current security instrument, it is subject only to the encumbrances, reservations, exceptions, and defects set forth in said administrative waivers and was made available as security in the following manner (Water stock would normally be reissued in the names of said land owners and the United States of America and delivered to the Agency Official at the time of loan closing):
- IV. This title opinion is an update only of the previous opinion rendered by Robert D. Fisher dated September 22, 2006; and is valid from that date until February 24, 2012.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0147. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- IV. The term "encumbrances, reservations, exceptions, and defects" means all matters which would prevent the United States from obtaining the required lien on the property identified in paragraph I, including but not limited to (a) mortgages, deeds of trust, and vendors', mechanics', materialmen's, and all other liens, including any provisions thereof for future advances which could take priority over the said lien to the United States, (b) Federal, State, and local taxes, including county, school, improvement, water, drainage, sewer, inheritance, personal property, and income, (c) State and Federal bankruptcy, insolvency, receivership, and probate proceedings, (d) judgments and pending suits, in State and Federal courts, (e) recorded covenants; conditions; restrictions; reservations; liens; encumbrances; easements; rights-of-way; leases; mineral, oil, gas, and geothermal rights (regardless of the right of surface entry); timber rights; water rights; pending court proceedings and other matters of record which affect the title of the property or the ability of the buyer or seller to convey or accept title.
- V. This opinion is issued expressly for the benefit of the above-named applicant for title examination and the United States of America acting through the United States Department of Agriculture Agency which provided the assistance, and I assume liability to each hereunder.

Feb. 24, 2012
(Date)



(Attorney's signature)

Attachments

212 Walnut Street Ravenswood, WV
(Address, include ZIP Code)
26164

Form RD 1927-10
(Rev. 7-98)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

FORM APPROVED
OMB NO. 0575-0147

FINAL TITLE OPINION

LOAN APPLICANT CITY OF RAVENSWOOD	ADDRESS OR PROPERTY COVERED BY THIS OPINION Jackson Crossing Sewerline Extension	
APPLICANT FOR TITLE EXAMINATION CITY OF RAVENSWOOD	COUNTY JACKSON	STATE WEST VIRGINIA

I. I have examined title to the property described in the security instrument described in paragraph II. B. below. My examination covered the period from the time of termination of title search covered by my Preliminary Title Opinion on Form RD 1927-9; or the time of recordation of the initial loan security instrument if this opinion covers land already owned by the loan applicant in a subsequent loan case, to September 22, 2006, at _____ a.m. (including the time of filing the current security instrument).
(Date) p.m.

II. Based on said title examination, my preliminary title examination if any, and any additional information concerning the title which has come to my attention, it is my opinion that:

A. Good and marketable title, in accordance with title examination standards prevailing in the area, to said property (real estate and any water rights offered as security) is now vested in the City of Ravenswood

as _____
(Joint tenants, tenants by the entirety, etc.)

B. The United States of America holds a valid first statutory lien on said property as required by Rural Development or the Farm Service Agency, or their successor (Agency), which lien was filed for record on _____ (Date) _____ at _____ a.m. and is recorded in _____ (Book, page, and office) p.m.

C. Said property and lien are subject only to encumbrances, reservations, exceptions, and defects which were approved by written administrative waivers of the Agency attached hereto or to my Preliminary Title Opinion.

III. If a water right is involved and is not covered by the current security instrument, it is subject only to the encumbrances, reservations, exceptions, and defects set forth in said administrative waivers and was made available as security in the following manner (Water stock would normally be reissued in the names of said land owners and the United States of America and delivered to the Agency Official at the time of loan closing):

OPINION OF COUNSEL RELATIVE TO RIGHTS-OF-WAY

Date September 22, 2006

Dear Sir:

I have reviewed the action taken by the City of Ravenswood
(hereinafter called the "Corporation") in obtaining a right-of-way for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of a loan made or insured by, and/or a grant from Rural Development to the Corporation. I have examined the right-of-way instruments, permits, or licenses obtained from landowners, public bodies, and public utilities and made such searches of the public records necessary to determine the legal sufficiency of the instruments covered by the "Right-of-way

Certificate," executed by the Corporation on September 22, 2006, 19 _____. I also have examined the "Right-of-way Map" to determine whether continuous and adequate land and rights-of-way are owned or have been acquired by the instruments covered in the "Right-of-way Certificate."

Based on the foregoing examination, and to the best of my knowledge, information, and belief, I am of the opinion that:

- A. The legal instruments by which the Corporation has acquired said rights-of-way (a) are in appropriate and due legal form and adequately confer upon the Corporation the necessary rights-of-way for the construction, operation, and maintenance of its facilities in their present or proposed location, and such omissions or defects as may exist will in no substantial way or manner endanger the value or operation of the facilities, and (b) have each been properly recorded in the appropriate public land records of each County in which any of the land affected thereby is situated. Such consents, releases, or subordinations from lienholders recommended by me or required by Rural Development have been obtained.
- B. The legal instruments referred to above give unto the Corporation a continuous and adequate right-of-way to permit the construction, operation, and maintenance of the Corporation's facilities except as below noted.
- C. Exceptions: None

Very truly yours,


Robert D. Fisher

Attorney for City of Ravenswood

P. O. Box 326, Ripley, WV 25271

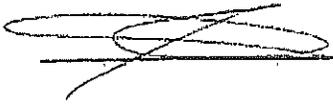
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer, STOP 7602, 1400 Independence Avenue, S.W., Washington, D.C. 20250-7602. Please DO NOT RETURN this form to this address. Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.

EXHIBIT GC-A

Certificate of Owner's Attorney

I, the undersigned, Robert D. Fisher, the duly authorized and acting legal representative of City of Ravenswood, do hereby certify as follows:

I have examined the attached Contract(s) and performance and payment bond(s) and the manner of execution thereof, and I am of the opinion that each of the aforesaid agreements is adequate and has been duly executed by the proper parties thereto acting through their duly authorized representatives; that said representatives have full power and authority to execute said agreements on behalf of the respective parties named thereon; and that the foregoing agreements constitute valid and legally binding obligations upon the parties executing the same in accordance with the terms, conditions, and provisions thereof.



Date: 9/22/06

LEGAL AND FISCAL OFFICERS

2006

The foregoing Agreement is approved as to form

By [Signature]
Name Robert D. Fisher
Title Local Attorney for Project

I Joan Turner City Clerk/Treasurer hereby certify that I am
Name Title
the qualified and acting fiscal officer of the City of Ravenswood,
West Virginia, and that the amount of money to wit \$935,491.00
State
required to meet the cost of the attached Agreement between City of Ravenswood
OWNER
and Tri-State Pipeline, Inc. has been lawfully
CONTRACTOR
appropriated for the purpose of said Agreement and the money so appropriated is on deposit (in process
of collection) to the credit of the appropriate fund free from any previous encumbrances.

2006

(SEAL)
By _____
Name Joan Turner
Title City Clerk/Treasurer

CITY OF RAVENSWOOD

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BOND
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. PUBLICATION AND NO PROTEST
5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
6. SIGNATURES, ETC.
7. CERTIFICATION OF COPIES OF DOCUMENTS
8. INCUMBENCY AND OFFICIAL NAME, ETC.
9. DELIVERY AND PAYMENT
10. USE OF PROCEEDS
11. LAND AND RIGHTS OF WAY
12. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
13. CONNECTIONS, ETC.
14. CONFLICT OF INTEREST
15. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of the City of Ravenswood, in Jackson County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, acting for the Issuer and in its name, hereby state and certify on this 7th day of June, 2012, in connection with the City of Ravenswood Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), No. AR-1, fully registered, dated the date hereof, in the principal amount of \$1,334,604, and bearing interest at the rate of 3.375% per annum (the "Series 2012 A Bonds") as follows:

1. AUTHORIZATION AND AWARD OF BOND: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Series 2012 A Bonds have been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, dated April 24, 2006 as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted on February 21, 2012, as supplemented by Supplemental Resolution duly adopted on May 15, 2012, authorizing issuance of the Bond (collectively, the "Ordinance" or "Bond Ordinance"). Terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond Ordinance when used herein. The Series 2012 A Bonds are being issued on this date to permanently finance a portion of the cost of acquisition and construction of the Project located within the boundaries of the Issuer, to pay the Series 2006 Notes and to pay costs of issuance thereof.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Series 2012 A Bonds or receipt of any grant moneys committed for the System; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2012 A Bonds; nor in any way questioning or affecting the validity of the grants committed for the System or the Series 2012 A Bonds, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues; nor questioning the existence, powers or proceedings of the Issuer or the Council of the Issuer (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the sewerage system of the Issuer (the sewerage system, as improved and expanded by the Project, as defined in the Ordinance, is herein called the "System") or the payment of the Series 2006 Notes being financed out of the proceeds of sale of the Series 2012 A Bonds; nor questioning the rates and charges provided for services of the System.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the payment of the Series 2006 Notes, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2012 A Bonds have been duly and timely obtained and remain in full force and effect, the time for appeal of which or rehearing having expired.

The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on June 8, 2006 in Case No. 06-0257-S-ECN, granting to the Issuer a certificate of public convenience and necessity for the Project, and approving the financing for the Project. The time for appeal of the Commission Order has expired prior to the date hereof. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. Such Order remains in full force and effect.

The Issuer enacted sewer rates and charges for the System on April 25, 2006. The time for appeal of such rates has expired prior to the date hereof without any timely appeals having been filed.

4. PUBLICATION AND NO PROTEST: Notice of public hearing upon the Bond Ordinance finally adopted and enacted on February 21, 2012 as supplemented was duly published as required by law.

There was not any protest to the passage of the Bond Ordinance, oral or written, and the Bond Ordinance became fully effective following the public hearing thereon and remains in full force and effect.

5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System since the approval by the Purchaser of a loan to pay the Series 2006 Notes and permanently finance the Project.

The Issuer has outstanding its (i) Sewer Revenue Bonds, Series 2002, dated December 19, 2002, issued in the original aggregate principal amount of \$320,000 currently held by WesBanco Bank, Inc. (the "Series 2002 Bonds"); (ii) Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated June 19, 2006, issued in the original aggregate principal amount of \$2,844,000 (the "Series 2006 A Bonds"); and (iii) Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture), dated June 19, 2006, issued in the original aggregate principal amount of \$1,356,000 (the "Series 2006 B Bonds"), (collectively, the "Prior Bonds").

Prior to the issuance of the Series 2012 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Series 2006 A Bonds and Series 2006 B Bonds to the issuance of the Series 2012 A Bonds on a parity with the Series 2006 A Bonds and Series 2006 B Bonds. The Series 2002 A Bonds do not require consent. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues of the System.

The Issuer is not in default under the terms of the Prior Bonds, the ordinance and resolution authorizing the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

6. SIGNATURES, ETC.: The undersigned Mayor and Recorder did, for the Issuer on the date hereof, officially execute and seal the Series 2012 A Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected or appointed (as applicable), qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Series 2012 A Bonds for the Issuer.

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

Bond Ordinance

Prior Bond Ordinances

Consent of United States Department of Agriculture to
Issuance of Parity Bonds

Public Service Commission Orders

United States Department of Agriculture Loan Resolution

Specimen Series 2012 A Bond

City Charter

Oaths of Office of Officers and Council Members

Resolution on Open Governmental Proceedings

Sewer Rate Ordinance

Affidavit of Publication on Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinance

Affidavit of Publication on Bond Ordinance

Minutes on Adoption and Enactment of Bond Ordinance

United States Department of Agriculture Letter of Conditions

Receipt of Depository Bank

Receipt and Release of Prior Notes

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

Name	Date of Commencement of Office	Date of Termination of Office
Lucy Harbert, Mayor	07/01/2008	6/30/2012
Katherine Garrett, Recorder	07/01/2008	6/30/2012
Gary Cross	07/01/2008	6/30/2012
Judy Wiseman	07/01/2008	6/30/2012
Billy Sharp	07/01/2008	6/30/2012
Gary Lawson	12/06/2011	6/30/2012
Mike Kelly	07/01/2008	6/30/2012

The duly appointed and acting Counsel to the Issuer is Steptoe & Johnson PLLC, in Charleston, West Virginia.

9. DELIVERY AND PAYMENT: On the date hereof, the Series 2012 A Bonds were delivered to the Purchaser at Ravenswood, West Virginia, by the undersigned Mayor for the purposes herein set forth, and at the time of such delivery, the Series 2012 A Bonds had been duly and fully executed and sealed on behalf of the Issuer in accordance with the Bond Ordinance.

The Series 2012 A Bond is dated the date hereof and interest on advances thereon at the rate of 3.375% per annum is payable from the date of each respective advance.

The Series 2012 A Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

At the time of delivery of the Series 2012 A Bonds, the amount of \$1,334,604 was received by the undersigned Mayor, being the entire principal amount of the Series 2012 A.

10. USE OF PROCEEDS: The total cost of the Project is estimated at \$1,355,099.71. Sources and uses of funds for the Project are as follows:

SOURCES

Transfer from Series 2006 Sinking Fund	\$20,495.71
Proceeds of the Series 2012 A Bonds	<u>\$1,334,604.00</u>
Total Sources	\$1,355,099.71

USES

Pay the Series 2006 Notes	\$1,333,099.71
Costs of Issuance	<u>\$22,000.00</u>
Total Uses	\$1,355,099.71

11. LAND AND RIGHTS OF WAY: All land in fee simple and all rights of way and easements necessary for the operation and maintenance of the System have been acquired and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes.

12. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the financing of the Project and the System were authorized, enacted or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Charter of the Issuer and any

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

13. CONNECTIONS, ETC.: The Issuer will serve at least 1,769 bona fide full time users of the System, upon completion of the Project, in full compliance with the requirements of the Purchaser.

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

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

[Remainder of Page Intentionally Blank]

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

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Larry J. Herbert

Mayor

Hatherine Barrett

Recorder

Stephanie Allen PLLC

Counsel to Issuer

735860.00008

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

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

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.

John Turner
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, wharves, etc., and to appoint wharfmasters and collect duties on vessels using wharves.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.

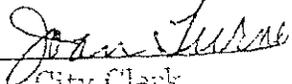
This act shall at all times be subject to modification or repeal at the pleasure of the Legislature.

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 Turner
City Clerk

Annexation Documents

BEFORE THE COUNTY COMMISSION OF JACKSON COUNTY, WEST VIRGINIA

IN RE: ANNEXATION OF 543 ACRES, MORE OR LESS,
OF LAND ADJACENT TO THE PRESENT CORPORATE
LIMITS OF THE CITY OF RAVENSWOOD, SITUATE IN
RAVENSWOOD DISTRICT, JACKSON COUNTY, WEST
VIRGINIA.

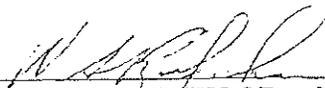
CERTIFICATE OF ANNEXATION

To the County Commission of Jackson County, West Virginia:

1. The City of Ravenswood is a municipal corporation, situate in Jackson County, West Virginia;
2. The Common Council of the City of Ravenswood is the governing body of said municipal corporation. The Common Council of the City of Ravenswood has authorized the Mayor to file this Certificate of Annexation with the County Commission, on its behalf;
3. On November 19, 2002, in accordance with Chapter 8, Article 6, Section 4 of the Code of West Virginia, as amended, the Common Council of the City of Ravenswood passed an "Ordinance of the City of Ravenswood to annex 543 acres, more or less, of land adjacent to the present corporate limits of the City of Ravenswood situate in Ravenswood District, Jackson County, West Virginia." ("Ordinance") (A copy of the Ordinance is attached at Tab A). A metes and bounds description of the property is also provided herein (Tab B).
4. This Certificate of Annexation shall constitute notice, pursuant to the Ordinance and W.Va. Code § 8-6-4, that the Common Council of the City of Ravenswood has examined the Petitions requesting annexation, referred to in the attached Ordinance, and has determined that said Petitions are proper and sufficient in every respect. Thereafter, the Common Council entered this fact upon its journal and passed the attached Ordinance.

WHEREFORE, in accordance with W. Va. Code § 8-6-4, the Common Council of the

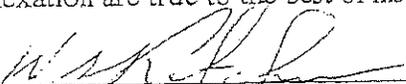
City of Ravenwood hereby files this Certificate of Annexation and requests that the County Commission of Jackson County, West Virginia enter an Order pursuant to West Virginia Code § 8-6-3, certifying the annexation of the property described in the Ordinance.



CITY OF RAVENWOOD, a Municipal Corporation,
By: William S. Ritchie, Jr., Mayor

STATE OF WEST VIRGINIA;
COUNTY OF JACKSON;
To Wit:

I, William S. Ritchie, Jr., Mayor of the City of Ravenwood, West Virginia, being first duly sworn, says that the facts and allegations contained in the foregoing Certificate of Annexation are true to the best of his knowledge information and belief.

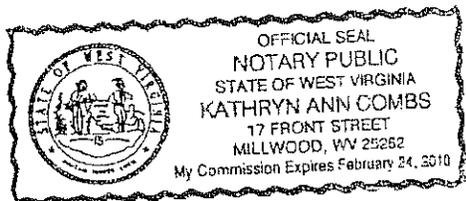


William S. Ritchie, Jr., Mayor

Taken, subscribed and sworn to before me by William S. Ritchie, Jr., Mayor of the City of Ravenwood, this 4th day of December, 2002. My Commission expires February 24, 2010



Notary Public



**ORDINANCE OF THE CITY OF RAVENSWOOD TO ANNEX 543 ACRES,
MORE OR LESS, OF LAND ADJACENT TO THE PRESENT CORPORATE
LIMITS OF THE CITY OF RAVENSWOOD SITUATE IN RAVENSWOOD
DISTRICT, JACKSON COUNTY, WEST VIRGINIA**

WHEREAS, the City of Ravenswood is a municipal corporation situate in Jackson County, West Virginia.

WHEREAS, Common Council of the City of Ravenswood has received Petitions from Ridge Line, Inc. and the Jackson County Board of Education, requesting annexation of certain real property adjacent to the current corporate limits of the City of Ravenswood, which requests are attached hereto at Tabs 1 and 2;

WHEREAS, the Common Council also has requested approval from the State of West Virginia Division of Highways to annex portions of State Route 2 in connection with this proposed annexation(Tab 3);

WHEREAS, in accordance with Chapter 8, Article 6, Section 4 of the Code of West Virginia, as amended, the governing body of the City of Ravenswood is empowered to annex property by ordinance if a majority of the qualified voters and freeholders in the area petition for such annexation;

WHEREAS, the area proposed for annexation has been set forth with particularity on the attached map entitled "PLAT SHOWING BOUNDARY OF PROPOSED ANNEXATION TO THE CITY OF RAVENSWOOD OF 543 ACRES," dated September 17, 2002 (Tab 4), which map shows the metes and bounds of the area proposed for annexation to the City of Ravenswood. No persons currently reside in the area. In addition, there are no businesses located in the area. The only improvement in the area is the Ravenswood Grade School.

WHEREAS, the Common Council of the City of Ravenswood has passed an ordinance for approval for a Tax Incentive Agreement for Ridge Line, Inc., which includes the approval of a Development Agreement by and between the City of Ravenswood and Ridge Line, Inc;

WHEREAS, the Development Agreement by and between the City and Ridge Line contemplates the annexation of Ridge Line's property;

WHEREAS, the Common Council of the City of Ravenswood has determined that it would be beneficial to seek annexation of the Ridge Line, Inc. property, the Ravenswood Grade School property and a portion of West Virginia Route 2;

NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF RAVENSWOOD AS FOLLOWS:

1. The Common Council of the City of Ravenswood has received Petitions from Ridge Line, Inc. and the Jackson County Board of Education, requesting annexation of certain real property adjacent to the current corporate limits of the City of Ravenswood, which requests are attached hereto at Tabs 1 and 2. The Common Council also has requested approval from the State of West Virginia Division of Highways to annex portions of State Route 2 in connection with this proposed annexation(Tab 3) The letters attached at Tabs 1-3 are incorporated herein by reference;

2. The Common Council of the City of Ravenswood has reviewed said petitions and has determined that said petitions meet the requirements of Chapter 8, Article 6, Section 4 of the Code of West Virginia and that the requisite number of petitions required by law have been received. The Common Council finds that no qualified voters currently reside in the area to be annexed because the area is largely unimproved with the exception of Ravenswood Grade School. The Common Council further finds that a majority of all freeholders of the additional territory have requested annexation. In this regard, both Ridge Line, Inc. and the Jackson County Board of Education have requested annexation of their respective parcels. The State of West Virginia is the only remaining landowner. The evidence indicates that the State of West Virginia maintains a neutral position with respect to annexation and does not object to the proposed annexation of a portion of State Route 2 as reflected on the attached Plat;

3. The area to be annexed has been set forth with particularity on the attached map entitled "PLAT SHOWING BOUNDARY OF PROPOSED ANNEXATION TO THE CITY OF RAVENSWOOD OF 543 ACRES," dated September 17, 2002 (Tab 4), which map shows the metes and bounds of the area proposed for annexation to the City of Ravenswood. The Plat is incorporated herein by reference. No persons currently reside in the area. In addition, there are no businesses located in the area. The only improvement in the area is the Ravenswood Grade School.

4. The metes and bounds description is attached hereto at Tab 4 and is incorporated herein by reference.

5. The Common Council is satisfied that the petitions of the landowners are sufficient in every respect and this fact shall be so noted. On behalf of the City of Ravenswood, West Virginia, the Mayor is hereby authorized to forward for filing to the County Commission of Jackson County, West Virginia, a certificate to the effect that all of the requirements of Chapter 8, Article 6, Section 4 of the Code of West Virginia have been met and that annexation of the territory reflected in the attached plat has been made in the manner required by law. The certification shall include a copy of the plat and a metes and bounds description of the newly annexed property.

The foregoing ordinance was introduced and read by City Attorney, James P. McHugh, at the regular meeting of the Common Council of the City of Ravenswood on November, 6 2002.

On the 19th day of November, 2002, after the second reading of said ordinance, Councilman Miller removed the adoption of said ordinance and authorization. The Motion was seconded by Councilman Lawson. After discussion, the Common Council of the City of Ravenswood adopted the foregoing Ordinance and authorization with Recorder Moore, Councilmembers Dittmar, Harbert, Lawson, Miller and Wiseman

_____ voting for the Ordinance and authorization and none voting against.

CITY OF RAVENSWOOD

By: William S. Ritchie, Jr.
William S. Ritchie, Jr., Mayor

ATTEST:

Jaymie Moore
Jaymie Moore, Recorder

I, the undersigned, being 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 19th day of November, 2002.

Joan Turner
Joan Turner, CMC, City Clerk/Treasurer



Tax: 509.149.3525

RidgeLine, Inc.

October 29, 2002

City of Ravenswood
Attn: William S. Ritchie, Jr.
212 Walnut Street
Ravenswood, WV 26164

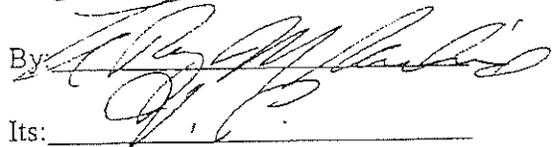
Re: Request for Annexation

Dear Mayor Ritchie:

Please accept this letter as a petition submitted pursuant to W.Va. Code § 8-6-4 by Ridge Line, Inc. for the City of Ravenswood to annex certain real property owned by Ridge Line, Inc. in the Ravenswood District of Jackson County, West Virginia. This request is made subject to the terms of that certain Development Agreement dated September 9, 2002 by and between the City of Ravenswood, the City of Ravenswood Development Authority and Ridge Line, Inc. The real property which is the subject of this request is shown on that certain map entitled "Plat Showing Boundary of Proposed Annexation to the City of Ravenswood of 543 +/- Acres Located in the Ravenswood District of Jackson County, West Virginia" dated September 17, 2002 as Tax Map 12, Parcels 40, 74 and 2. Attached hereto is a copy of a Witten Agreement to Corporate Action by the Sole Director of Ridge Line, Inc. authorizing the annexation of such property. Thank you for your attention to this matter.

Very truly yours,

Ridge Line, Inc

By: 

Its: _____

CERTIFICATE OF CORPORATE RESOLUTION

I, the undersigned, hereby certify that I am the duly elected Secretary of Ridge Line, Inc., a West Virginia corporation.

I further certify that by a Written Agreement to Corporate Action By The Sole Director of Ridge Line, Inc. dated as of October 29, 2002, the following resolutions were duly adopted by the Board of Directors of the Corporation, have not been modified, rescinded or revoked, and are now in full force and effect:

WHEREAS, the corporation desires to have certain property owned by it in the Ravenswood District of Jackson County, West Virginia annexed by the City of Ravenswood; it is therefore:

RESOLVED, that the corporation does hereby approve of the annexation by the City of Ravenswood of certain real property owned by it in the Ravenswood District of Jackson County, West Virginia pursuant to the terms of that certain Development Agreement dated September 9, 2002 by and between the City of Ravenswood, the City of Ravenswood Development Authority and Ridge Line, Inc. Such property is shown on that certain map entitled "Plat Showing Boundary of Proposed Annexation to the City of Ravenswood of 543 +/- acres located in the Ravenswood District of Jackson County, West Virginia" dated September 17, 2002 as Tax Map 12, Parcels 40, 74 and 12; and be it further

RESOLVED, that the President, Vice President or Secretary of the corporation be and each is hereby authorized, empowered and directed each alone or jointly with others to execute and deliver to the City of Ravenswood and/or the City of Ravenswood Development Authority, with or without the corporate seal of the corporation affixed hereto, for and in the name on behalf of the corporation the following documents and instruments which with such change or changes as the officer executing the same may approve. Such approval and the propriety necessary thereof to be conclusively evidenced by the execution thereof by such officers:

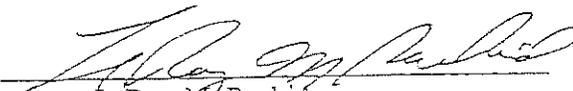
1. A letter requesting annexation directed to the Mayor of the City of Ravenswood;
2. All such other agreements, documents, instruments, certificates and other papers as they may be deemed necessary, convenient or advisable to carry out the intent and purposes of the foregoing annexation. Such determination to be conclusively evidence by the execution and delivery of such documents;

and be it further,

RESOLVED, that the President, Vice President or Secretary of the corporation be, and each hereby is, authorized, empowered and directed each alone or jointly with others to take all such steps and actions, for and in the name and on behalf of the corporation as they may deem necessary, convenient or advisable to carry out the intent and purposes of the foregoing actions. Such approval and the propriety and necessity thereof to be conclusively evidenced by the taking of such steps and be it further,

RESOLVED that the Secretary of the corporation be and he is hereby authorized and directed to certify copies of these resolutions.

IN WITNESS WHEREOF, I have hereunto subscribe my hand and affixed the seal of the Corporation on this the 29th day of October, 2002.



LeRoy M. Rashid
Secretary of Ridge Line, Inc.

**WRITTEN AGREEMENT
TO CORPORATE ACTION
BY THE SOLE DIRECTOR OF RIDGE LINE, INC.**

The undersigned constituting the Sole Director of Ridge Line, Inc., a West Virginia corporation, does hereby enter into the following Written Agreement pursuant to Section 821, Article 8, Chapter 31D of the West Virginia Code in lieu of a meeting.

WHEREAS, the corporation desires to have certain property owned by it in the Ravenswood District of Jackson County, West Virginia annexed by the City of Ravenswood; it is therefore:

RESOLVED, that the corporation does hereby approve of the annexation by the City of Ravenswood of certain real property owned by it in the Ravenswood District of Jackson County, West Virginia pursuant to the terms of that certain Development Agreement dated September 9, 2002 by and between the City of Ravenswood, the City of Ravenswood Development Authority and Ridge Line, Inc. Such property is shown on that certain map entitled "Plat Showing Boundary of Proposed Annexation to the City of Ravenswood of 543 +/- acres located in the Ravenswood District of Jackson County, West Virginia" dated September 17, 2002 as Tax Map 12, Parcels 40, 74 and 12; and be it further

RESOLVED, that the President, Vice President or Secretary of the corporation be and each is hereby authorized, empowered and directed each alone or jointly with others to execute and deliver to the City of Ravenswood and/or the City of Ravenswood Development Authority, with or without the corporate seal of the corporation affixed hereto, for and in the name on behalf of the corporation the following documents and instruments which with such change or changes as the officer executing the same may approve. Such approval and the propriety necessary thereof to be conclusively evidenced by the execution thereof by such officers:

1. A letter requesting annexation directed to the Mayor of the City of Ravenswood;
2. All such other agreements, documents, instruments, certificates and other papers as they may be deemed necessary, convenient or advisable to carry out the intent and purposes of the foregoing annexation. Such determination to be conclusively evidence by the execution and delivery of such documents;

and be it further,

RESOLVED, that the President, Vice President or Secretary of the corporation be, and each hereby is, authorized, empowered and directed each alone or jointly with others to take all such steps and actions, for and in the name and on behalf of the corporation as they may deem necessary, convenient or advisable to carry out the intent and purposes of the foregoing actions. Such approval and the propriety and necessity thereof to be conclusively evidenced by the taking of such steps and be it further,

RESOLVED that the Secretary of the corporation be and he is hereby authorized and directed to certify copies of these resolutions.

IN WITNESS WHEREOF the undersigned constituting the sole Director of Ridge Line, Inc. does hereby agree to the following actions in writing in lieu of a meeting pursuant to W.Va. Code § 31D-8-821 as of this ____ day of October, 2002.


LEROY M. RASHID

Date: 10/29/02

PHONE (304) 372-7300

FAX (304) 372-7312



JACKSON COUNTY SCHOOLS
BOARD OF EDUCATION

OFFICE OF SUPERINTENDENT

P.O. BOX 770, RIPLEY, WEST VIRGINIA 25271

May 3, 2002

The Honorable Bill Ritchie, Mayor
City of Ravenswood
212 Walnut Street
Ravenswood, WV 26164

Dear Mayor Ritchie:

The Jackson County Board of Education meeting in regular session on May 2, 2002, voted to request that the City of Ravenswood annex the Board of Education property located in Eastwood. This request includes all Board-owned property in, around and including Ravenswood Grade School.

The Jackson County Board of Education hopes that this request will lead to a mutually beneficial relationship between the Board and the City of Ravenswood.

If you have any questions, feel free to call me at 372-7300.

Sincerely,

Ronald E. Ray
Superintendent

RER/sdr

c Gary Samples
Gary Cross
Irene Murphy



WEST VIRGINIA
DEPARTMENT OF TRANSPORTATION
1900 Kanawha Boulevard East • Building Five • Room 109
Charleston, West Virginia 25305-0440 • 304/558-0444

Bob Wise
Governor

Fred Van Kirk, P. E.
Secretary/Commissioner

June 5, 2002

Honorable William S. Ritchie, Jr.
Mayor, City of Ravenswood
212 Walnut Street
Ravenswood, West Virginia 26164

Dear Mayor Ritchie:

This will document our discussion regarding the City of Ravenswood's desire to annex the right of way of WV State Route 68 from the current southern city limits near Sandy Creek to the intersection of WV Route 2 and then along WV Route 2 easterly to the intersection of Jackson County Route 33/11.

Historically, the Division of Highways has adopted a neutral position in minor boundary changes. Our experience has shown that there are both some negative and positive influences created by the annexation of the highway system. From the negative aspect, there have been increases in the cost of maintenance and upgrading the highway system when the annexing bodies have elected to assess special taxes against our highway contractors. On the other hand, additional policing and traffic signal maintenance by the city would improve the safety of the travelling public.

As you are no doubt aware, the State Motor Vehicle Laws – Chapter 17C, Article 3, Section 3, requires "Local Authorities" (Municipalities) to maintain the traffic control devices under their jurisdiction. The traffic control devices are traffic signals. Other maintenance items which the municipalities may be responsible for are signs, pavement marking, street lighting, and the cleaning of roadways and drainage systems. These items are generally a part of a separate city-state agreement and depend on the size and capability of the municipality involved. We would not expect Ravenswood to enter into such an agreement.

Under the present law, the Commissioner of Highways has no authority to veto a proposed annexation which otherwise meets the requirements in Chapter 8, Article 6 of the West Virginia Code. Such action must be approved by the City and County.

Honorable William S. Ritchie, Jr.

Page 2

June 5, 2002

I trust that the above satisfies your needs for information and will serve your purposes in approaching the County Commission.

Should the City proceed with the official annexation, please provide us with a copy so that we may update our files and records.

Very truly yours,



Fred VanKirk, P.E.
Secretary/Highways Commissioner

FV:h

September 19, 2002

The City of Ravenswood

DESCRIPTION OF 543 +/- ACRES
FOR PROPOSED BOUNDARY ADJUSTMENT
FOR THE CITY OF RAVENSWOOD, WV

Beginning at a point in the easterly right of way line of West Virginia Route 68, said point being the southwesterly corner of a prior annexation to the City of Ravenswood, WV of approximately 43 acres.

Thence leaving said right of way line and along the existing corporate limit line of said 43 acre annexation to the City of Ravenswood and being the limit of the boundary herein described for the following four (4) bearings and distances;

- 1) N- 72803'-E, 520.00' to a point.
- 2) N-56828'-E, 350.00' to a point.
- 3) N-42848'-E, 170.00' to a point.
- 4) S-81803'-W, 158.33' to a point, in said existing corporation line.

Thence leaving said corporate line and forming the boundary of the parcel herein described and being along the westerly right of way line of West Virginia Route 2 for the following ten (10) bearings and distances;

- 1) N-46810'-E, 182.69' to a point.
- 2) N-85835'-E, 32.49' to a point.
- 3) S-33833'-E, 87.00' to a point.
- 4) N-38857'-E, 241.50' to a point.
- 5) N-69810'-E, 628.00' to a point.
- 6) N-68833'-E, 600.40' to a point.
- 7) N-48841'-E, 213.51' to a point.
- 8) S-77824'-E, 286.86' to a point.
- 9) N-82814'-E, 398.86' to a point.
- 10) N-63850'-E, 243.27' to a point, said point being a common corner of Kester Cobb.

Thence leaving continuing with said right of way line and along the line of said Cobb, S-74844'-E, 204.27' to a point, being a common corner of said Kester and lands now or formerly as Kaiser Aluminum Properties, Inc.

Thence leaving said Route 2 right of way and along the common line of said Kester and Kaiser, N-00836'-E, 106.29' to a point in the easterly right of way line of the former Baltimore and Ohio Railroad.

Thence with said railroad right of way the following two (2) courses;

- 1) N-63829'-E, 846.28' to a point.
- 2) With a curve to the right, a central radius of 619.27', a length along the arc of 438.49' to a point.

Thence leaving said railroad right of way, crossing secondary route 2/19, N-03812'-E a distance of 365.26' to a point.

Thence with a parcel, now or formerly as Board of Education the following seven (7) bearings and distances;

- 1) N-86849'-W, 585.78' to a point.
- 2) N-05828'-W, 129.03' to a point.
- 3) N-82830'-W, 92.42' to a point.
- 4) N-07830'-E, 276.20' to a point.
- 5) N-87826'-W, 763.37' to a point.
- 6) N-16843'-E, 1404.46' to a point.
- 7) S-88845'-E, 1903.25' to a point, said point being a common corner of lands now or formerly as Kaiser Aluminum Properties, Inc.

Thence along said Kaiser for the following fifteen (15) bearings and distance;

- 1) N-04829'-E, 566.61' to a point.
- 2) S-85826'-E, 1212.94' to a point.
- 3) S-82854'-E, 356.16' to a point.
- 4) S-85819'-E, 1183.01' to a point.
- 5) S-07835'-E, 120.97' to a point.
- 6) S-17832'-E, 216.15' to a point.
- 7) S-19806'-E, 180.15' to a point.
- 8) S-12826'-E, 353.78' to a point.
- 9) S-08816'-W, 287.01' to a point.
- 10) N-66839'-W, 581.15' to a point.
- 11) S-54812'-W, 791.50' to a point.
- 12) S-54857'-W, 1376.62' to a point.
- 13) S-57829'-W, 901.35' to a point.
- 14) N-33851'-W, 109.80' to a point.
- 15) S-57836'-W, 136.05' to a point. Said point being in the northerly right of way line of said secondary route 2/19.

Thence crossing said route, S-42809'-W a distance of 70.65' to a point in the southerly right of way line of said secondary route.

Thence along said right of way the following two (2) bearings and distances;

- 1) S-47837'-E, 104.79' to a point.
- 2) S-36808'-E, 190.13' to a point, said point being a common corner of lands now or formerly as Noble Adkins.

Thence along the common line of said Adkins and said Kaiser, S-50856'-W a distance of 217.75' to a point in the easterly right of way line of said Baltimore and Ohio Railroad.

Thence along said easterly right of way line and being the common division line of said Kaiser for the following three (3) courses;

- 1) S-30813'-E, a distance of 330.00' to a point.
- 2) With a curve to the right, a central radius of 493.11', a length along the arc of 984.94' to a point.
- 3) S-00857'-E, a distance of 344.20' to a point.

Thence crossing said railroad right of way, S-89803'-W a distance of 60.00' to a point in the westerly right of way line of said railroad.

Thence along said westerly right of way line, N-00857'-W, a distance of 111.99' to a point. Thence leaving said right of way and along the common division line of AEP Co. and said Kaiser, S-74825'-W a distance of 407.75' to a point.

Thence crossing said West Virginia Route 2, S-13853'-W, a distance of 409.89' to a point in the westerly right of way of Route 2.

Thence continuing along the line of said Kaiser for the following three (3) bearings and distances;

- 1) S-17824'-W, 256.90' to a point.
- 2) S-58811'-E, 61.14' to a point.
- 3) S-49809'-W, 108.64' to a point, said point being in the westerly right of way line of Delta Route 4.

Thence along the said westerly right of way line and binding thereon, a total distance of approximately 2529' to a point.

Thence crossing said Delta Route a distance of 40' to a point in the easterly line of said Delta Route.

Thence along said easterly right of way line and binding thereon for a total distance of approximately 653' to a point, said point being a common corner of lands of others.

Thence continuing along the line of said Kaiser, N-88824'-E a distance of 1738.29' to a point in the approximate center of Sand Creek.

Thence continuing along the line of said Kaiser, being the approximate center of said Sand Creek for an approximate distance of 7955' to a point.

Thence leaving said Sand Creek and continuing along the line of said Kaiser for the following eight (8) bearings and distances;

- 1) S-88823'-E, 438.77' to a point.
- 2) N-53826'-E, 185.00' to a point.
- 3) N-68810'-E, 403.00' to a point.
- 4) N-28850'-E, 446.00' to a point.
- 5) N-05842'-E, 463.00' to a point.
- 6) N-04851'-W, 160.00' to a point.
- 7) N-48814'-W, 90.94' to a point.
- 8) N-28804'-W, 412.85' to a point in the southerly right of way line of said West Virginia Route 2.

Thence along the said southerly right of way line for the following ten (10) bearings and distances;

- 1) N-76811'-W, 467.95' to a point.
- 2) S-81821'-W, 280.55' to a point.
- 3) S-49840'-W, 416.52' to a point.
- 4) S-69838'-W, 1316.34' to a point.
- 5) S-63801'-W, 360.90' to a point.
- 6) S-44839'-W, 106.23' to a point.
- 7) S-44834'-W, 166.00' to a point.
- 8) S-38811'-W, 116.25' to a point.
- 9) S-37813'-W, 296.19' to a point.
- 10) S-20822'-W, 230.42' to a point.

Thence crossing said Route 2, S-58852'-W, a distance of 384.29' to a point in the westerly line thereof.

Thence N-07838'-W, a distance of 842.67' to the point of beginning.

Containing approximately 543 acres as shown upon that certain plat prepared by Point Surveying and Mapping, Cottageville, WV. A copy of which plat dated September 17, 2002 is referenced herein for a more accurate and complete description of the subject parcel. Reference being here made as a part of this description.

I, LUCY J. HARBERT, 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 MAYOR FOR THE SAID CITY OF RAVENSWOOD, WEST VIRGINIA, AS SET OPPOSITE MY NAME, TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

LUCY J. HARBERT

Lucy J. Harbert MAYOR

SWORN AND SUBSCRIBED TO THIS 17th DAY OF JUNE, 2008, I, Kendra Liegey, City Clerk, for the City of Ravenswood, DO HEREBY SOLEMNLY SWEAR THAT THE ABOVE OATH WAS GIVEN AND THE SIGNATURE AFFIXED THEREUNTO IN MY PRESENCE.

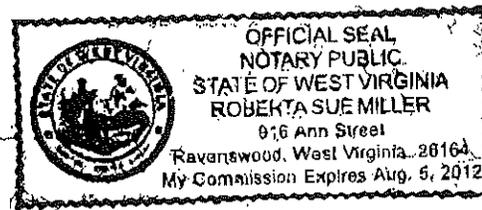
Kendra A. Liegey

SWORN AND SUBSCRIBED TO THIS THE 17 DAY OF JUNE, 2008, I, Roberta Sue Miller 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 17th day of June, 2008.

Roberta Sue Miller

Notary Public

My Commission expires 8/3/12



I, KATHERINE GARRETT, 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 RECORDER FOR THE SAID CITY OF RAVENSWOOD, WEST VIRGINIA, AS SET OPPOSITE MY NAME, TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

KATHERINE GARRETT

Katherine Garrett RECORDER

SWORN AND SUBSCRIBED TO THIS 17th DAY OF JUNE, 2008, I, Kendra Liegey, City Clerk, for the City of Ravenswood, DO HEREBY SOLEMNLY SWEAR THAT THE ABOVE OATH WAS GIVEN AND THE SIGNATURE AFFIXED THEREUNTO IN MY PRESENCE.

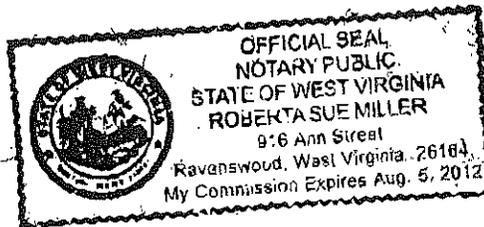
Kendra Liegey

SWORN AND SUBSCRIBED TO THIS THE 17th DAY OF JUNE, 2008, I, Roberta Sue Miller, 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 17th day of June, 2008.

Roberta Sue Miller

Notary Public

My Commission expires 8/5/12



I, GARY CROSS, 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 COUNCIL FOR 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 CROSS

Gary Cross COUNCILMAN

SWORN AND SUBSCRIBED TO THIS 24 DAY OF JUNE, 2008, I, Kendra Liegey, City Clerk, for the City of Ravenswood, DO HEREBY SOLEMNLY SWEAR THAT THE ABOVE OATH WAS GIVEN AND THE SIGNATURE AFFIXED THEREUNTO IN MY PRESENCE.

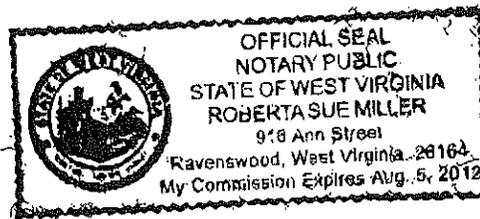
Kendra A. Liegey

SWORN AND SUBSCRIBED TO THIS THE 24th DAY OF JUNE, 2008, I, Roberta Sue Miller, 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 24th day of June, 2008.

Roberta Sue Miller

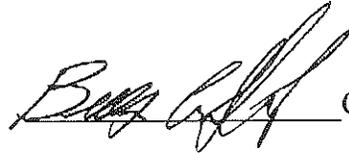
Notary Public

My Commission expires 8/5/12



I, BILLY SHARP, 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 COUNCIL FOR THE SAID CITY OF RAVENSWOOD, WEST VIRGINIA, AS SET OPPOSITE MY NAME, TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

BILLY SHARP



COUNCILMAN

SWORN AND SUBSCRIBED TO THIS 17th DAY OF JUNE, 2008, I, Kendra Liegey, City Clerk, for the City of Ravenswood, DO HEREBY SOLEMNLY SWEAR THAT THE ABOVE OATH WAS GIVEN AND THE SIGNATURE AFFIXED THEREUNTO IN MY PRESENCE.

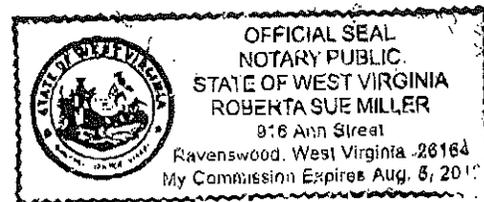


SWORN AND SUBSCRIBED TO THIS THE 17th DAY OF JUNE, 2008, I, Roberta Sue Miller, Notary Public in the State of West Virginia, do hereby certify that the above oath was given and the signatures were affixed thereunto in my presence. Given under my hand this 17th day of June, 2008.



Notary Public

My Commission expires 8/5/12.



I, JUDY K. WISEMAN, 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 COUNCIL FOR THE SAID CITY OF RAVENSWOOD, WEST VIRGINIA, AS SET OPPOSITE MY NAME, TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

JUDY K. WISEMAN

Judy K. Wiseman COUNCILWOMAN

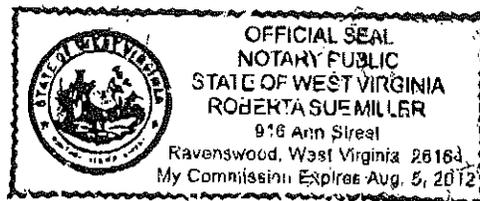
SWORN AND SUBSCRIBED TO THIS 17th DAY OF JUNE, 2008, I, Kendra Liegey, City Clerk, for the City of Ravenswood, DO HEREBY SOLEMNLY SWEAR THAT THE ABOVE OATH WAS GIVEN AND THE SIGNATURE AFFIXED THEREUNTO IN MY PRESENCE.

Kendra Liegey

SWORN AND SUBSCRIBED TO THIS THE 17th DAY OF JUNE, 2008, I, Roberta Sue Miller, 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 17th day of June, 2008.

Roberta Sue Miller
Notary Public

My Commission expires 8/5/12.



I, MICHAEL KELLY, 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 COUNCIL, FOR THE SAID CITY OF RAVENSWOOD, WEST VIRGINIA, AS SET OPPOSITE MY NAME, TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

MICHAEL KELLY

Michael Kelly COUNCILMAN

SWORN AND SUBSCRIBED TO THIS 17th DAY OF JUNE, 2008, I, Kendra Liegey, City Clerk, for the City of Ravenswood, DO HEREBY SOLEMNLY SWEAR THAT THE ABOVE OATH WAS GIVEN AND THE SIGNATURE AFFIXED THEREUNTO IN MY PRESENCE.

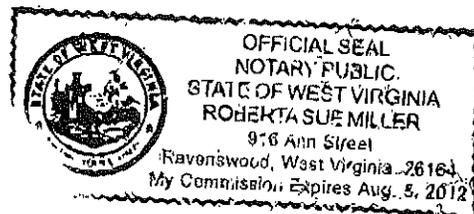
Kendra A. Liegey

SWORN AND SUBSCRIBED TO THIS THE 17th DAY OF JUNE, 2008, I, Roberta Sue Miller, 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 17th day of June, 2008.

Roberta Sue Miller

Notary Public

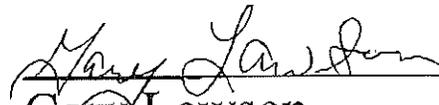
My Commission expires 8/5/12



Oath of Office

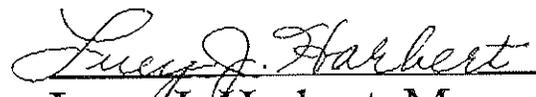
I, Gary Lawson, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia and faithfully discharge the duties of Council Member of the City of Ravenswood according to the best of my ability.

I will not accept or receive, directly or indirectly, any money or valuable thing, from any corporation, company or person, for any vote of influence I may give or withhold, as a Council Member on any action, ordinance, or resolution or for any act I may do or perform as a Council Member



Gary Lawson

As administered by Lucy J. Harbert, Mayor of the City of Ravenswood, this 6th day of December, 2011.



Lucy J. Harbert, Mayor

CITY OF RAVENSWOOD

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

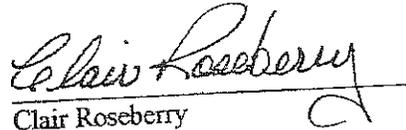
Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the City of Ravenswood does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose 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:

- I. 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.

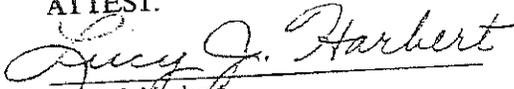
1. Special Meetings. A notice shall be posted by the Recorder or City Clerk at the front door or bulletin board of the City Hall not less than 72 hours before a specialy scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special 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

CITY OF RAVENSWOOD

AN ORDINANCE SETTING FORTH SEWER RATES,
CONNECTION CHARGES, RECONNECTION CHARGES,
DELAYED PAYMENT PENALTY AND OTHER CHARGES
FOR SERVICE TO CUSTOMERS OF THE SEWERAGE
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 sewer services provided to all general domestic, commercial, and industrial users and customers of the City of Ravenswood Municipal Sewerage 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

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial sanitary sewer service

RATE

First	2,000	gallons used per month	\$6.28	per 1,000 gallons
Next	10,000	gallons used per month	\$5.39	per 1,000 gallons
Over	12,000	gallons used per month	\$3.32	per 1,000 gallons

MINIMUM BILL

\$12.56 per month (based upon 2,000 gallons)

FLAT RATE (for unmetered customers)

Residential	\$26.04 per month
Commercial	\$67.64 per month

DELAYED PAYMENT PENALTY

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

TAP FEE

A charge of \$400.00 shall be made for each new connection to the sewer system after the effective date hereof.

LEAK ADJUSTMENT RATE

An incremental charge of \$0.62 per M gallons shall be charged for all water billed in excess of the customer's historic usage.

INDUSTRIAL SERVICE

The charge for the treatment of industrial waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

C_i = charge to industrial users per year

V_o = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

V_i = volume of waste water from industrial users, in gallons per year

B_o = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound

B_i = weight of BOD from industrial users, in pounds per year

S_o = average unit cost of treatment (including sludge treatment) chargeable to total solids, in dollars per pound

S_i = weight of total solids from industrial users, in pounds per year

When an industrial user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing material which, in judgement of the Sanitary Board, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge thereof, based upon the formula set out above.

Thereafter, industrial sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Sanitary Board records, new cost figures will be

calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the industrial user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each industrial user, or refund given by the Sanitary Board, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

**SURCHARGE FOR ROOF DRAINS CONNECTED TO THE CITY OF RAVENSWOOD
SANITARY SEWER SYSTEM**

The charge for roof drains being connected to the Sanitary Sewerage System will be calculated on the basis of the following formula and will not be cumulative upon any metered or flat rate sewer service charges.

$$S = A \times R \times .0006233 \times C$$

S = The Surcharge, in Dollars

A = The Average Area Under Roof in Square Feet

R = The Measured Monthly Rainfall, in Inches

.0006233 = a Conversion Factor to Complete Thousand Gallons

C = The Approved Rate Per Thousand Gallons of Waste Water Treated

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 **TUESDAY, APRIL 25, at 6:30 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: March 30, 2006

Second Reading: April 25, 2006

CITY OF RAVENSWOOD, a municipal corporation

Mayor Lucy G. Harbert

Recorder Jean Turner
City Clerk Press.

04/7/06
735860.00006

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

The Common Council of the City of Ravenswood met in special session on Thursday, March 30, 2006 at 7:00 p.m. in the Council Chambers at City Hall. Mayor Harbert called the meeting to order. City Atty. McHugh, Councilmembers Garrett, Hunt, Lawson, Quillen and Staats, and Recorder Wiseman were present. John Stump of Steptoe & Johnson and Lise Sibicky and Greg Herrick of Burgess and Niple were also in attendance.

This was a special called meeting. City Atty. McHugh read by title, for the first reading an ordinance setting forth sewer rates, connection charges, reconnection charges, delayed payment penalty and other charges for service to customers of the sewerage system of the City of Ravenswood. These proposed rates will cover the additional costs for the sewer lagoon upgrade project.

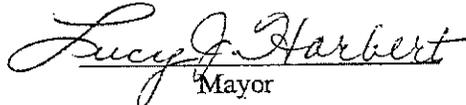
The second item of business on the special meeting agenda was to authorize the Mayor to sign a resolution for the West Virginia Governor's Community Partnership Program Funds application for \$30,000.00 for pool renovation. Councilman Lawson moved "TO AUTHORIZE THE MAYOR TO SIGN THE RESOLUTION FOR THE WEST VIRGINIA GOVERNOR'S COMMUNITY PARTNERSHIP PROGRAM FUNDS APPLICATION FOR \$30,000.00 FOR POOL RENOVATION." Councilwoman Garrett seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

There being no further business, Councilwoman Quillen moved "TO ADJOURN AT 7:04 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 special session on Tuesday, April 25th, 2006 at 6:30 p.m. in the Council Chambers at City Hall. Mayor Harbert called the meeting to order. Recorder Wiseman, Councilmembers Garrett, Hunt, Lawson, Quillen and Staats and Atty. McHugh were present.

Water Plant Operator, Vince Cambarare addressed Council over his concerns in regard to the City's water system. He went into a lengthy explanation of the well head protection, back flow prevention and cross connection backflow protection programs. He asked Council to consider having a land management procedure program for the City's water system. Vince also stated that he was not against the skate park but just concerned about the placement of the park and the materials which would be used. Councilwoman Garrett asked about moving the skate park. Council has voted on the location of the skate park.

Councilwoman Garrett asked if the City is selling the water dept. Mayor Harbert stated not to her knowledge. Council discussed the matter and Councilman Lawson stated that he had been contacted by U.S. Filter, Veolia Water in regard to managing the maintenance dept. of the City. U.S. Filter looked at the City's operations several years ago in this regard.

This was a public hearing for the proposed sewer rate. John Alderson was present to ask several questions about the sewer project and the increase in costs. Councilwoman Quillen commented that quotes on prices go up everyday as in the example of the gasoline pricing. Burgess & Niple engineer, Lisa Sibicky stated that the increased costs have been approved by the financing authorities. Debbie Legg also commented on the sewer rate and why it was necessary. City Atty. McHugh read by the title the Sewer Rate Ordinance establishing and fixing sewer rates, connections charges, delayed payment penalty and other charges for service to customers of the sewer system of the City. Councilman Staats moved "TO POSTPONE ACTION ON THE SEWER RATE UNTIL THE NEXT COUNCIL MEETING." The motion died for lack of a second. Councilman Lawson moved "TO APPROVE AND ADOPT THE SEWER RATE ORDINANCE ESTABLISHING AND FIXING SEWER RATES, CONNECTIONS CHARGES, DELAYED PAYMENT PENALTY AND OTHER CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWAGE SYSTEM OF THE CITY OF RAVENSWOOD." Councilwoman Garrett seconded the motion with all present voting AYE, except for Councilman Staats voting NO. The majority of the vote being for the motion, the Mayor declared the motion adopted.

The City had received bids for the water plant improvements and water system improvements. Burgess and Niple reviewed the bids and recommended awarding the bids to Welding, Inc. in the amount of \$343,900. and Upton Construction Co., Inc. in the amount of \$354,030. Councilman Staats moved "TO AWARD THE BIDS TO WELDING, INC. FOR THE WATER PLANT IMPROVEMENTS IN THE AMOUNT OF \$343,900. AND TO UPTON CONSTRUCTION CO., INC. FOR THE WATER SYSTEM IMPROVEMENTS IN THE AMOUNT OF \$354,030." Councilwoman Garrett seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

The City had received bids for the wastewater treatment plant improvements and after reviewing the bids, Burgess and Niple are recommending the award of the bid to Orders

Construction Co., Inc. in the amount of \$3,391,432. Council discussed the matter. Councilwoman Garrett moved "TO AWARD THE WASTEWATER TREATMENT PLANT CONTRACT TO ORDERS CONSTRUCTION CO., INC. IN THE AMOUNT NOT TO EXCEED \$3,391,432. CONTIGENT UPON THE ARRANGEMENT OF ACCEPTABLE FINANCING AND WITH THE ADDITIONAL CAVEAT THAT THE CITY MAY CHOOSE BETWEEN CERTAIN ALTERNATES IN THE BID, WHICH ALTERNATES WILL IMPACT THE FINAL CONTRACT PRICE." Recorder Wiseman seconded the motion with Councilmembers Garrett, Lawson, and Quillen and Recorder Wiseman voting AYE; Councilman Hunt voting No and Councilman Staats abstaining. The majority of the vote being for the motion, the Mayor declared the motion adopted.

The Mayor, Supvr. Flinn and some members of Council had conducted interviews for maintenance workers and recommended hiring Steve Wolfe for the maintenance department at \$8.00 per hour with full benefits and a probationary period of 90 days beginning on May 2, 2006. Councilman Lawson moved "TO HIRE STEVE WOLFE FOR THE MAINENANCE DEPT. AT \$8.00 PER HOUR WITH FULL BENEFITS AND A PROBATIONARY PERIOD OF NINETY DAYS BEGINNING MAY 2, 2006." Councilwoman Garrett seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Lois Beam had been recommended for an appointment to the Historic Landmark Commission. However, in checking the bylaws, you have to be a resident of Ravenswood in order to serve. Mrs. Beam lives out of town.

Council was asked to approve Gary Cross to the Ravenswood Development Authority with his term to expire June 30, 2008. Councilwoman Garrett moved "TO APPOINT GARY CROSS TO THE RAVENSWOOD DEVELOPMENT AUTHORITY WITH HIS TERM TO EXPIRE JUNE 30, 2008." Councilwoman Quillen seconded the motion with all members present voting AYE; therefore, the Mayor declared the motion adopted.

Jason Vankirk came to Council to ask for permission to work on the basketball court on Henry St. He would like to paint the lines and to hold some three on three tournaments in the future. Council discussed the matter and had no problem with Mr. Vankirk working on the basketball court.

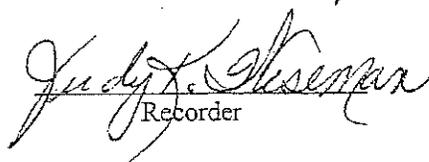
There being no further business, Councilman Lawson moved "TO ADJOURN AT 7:50 P.M." Recorder Wiseman seconded the motion with all members present voting AYE; therefore, the Mayor declared the meeting adjourned.

Respectfully submitted by,

Joan Turner, CMC
City Clerk-Treas.

Attest:


Lucy J. Harbert
Mayor


Judy K. Wiseman
Recorder

AFFIDAVIT OF PUBLICATION

Cost of Publication 87.78

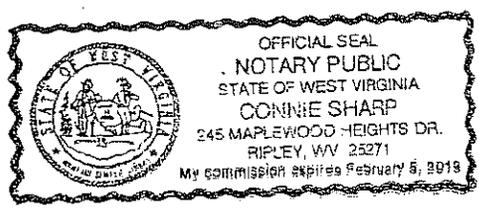
State of West Virginia,
County of Jackson, to wit:

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 2 day of May, 2006 and ending with the issue of the 9 day of May, 2006.

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

Taken, subscribed and sworn to before me in my said county this 23 day of May, 2006.



Connie Sharp
Notary Public of Jackson County, West Virginia

PUBLIC NOTICE OF CHANGE IN
SEWER RATES OF
THE CITY OF RAVENSWOOD

NOTICE is hereby given that the City of Ravenswood (the "City") on April 25, 2006, has adopted an ordinance containing increased rates and charges for furnishing sewer service to its 1,762 customers in Jackson County.

The proposed increased rates and charges will become effective on June 10, 2006, unless otherwise ordered by the Public Service Commission (the "Commission") and will produce approximately \$75,086 annually in additional revenue, an increase of 13%.

The average monthly bill for all types of customers will be changed as follows:

TYPE OF CUSTOMER	(\$ INCREASE	INCREASE (%)
All types	\$3.55	13%

There are no resale customers of the City of Ravenswood's sewer system.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates and charges by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than 25% of the customers served by the City's sewer system; or

(2) Any customer who is served by the City's sewer system and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the City's boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the City's boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the City's sewer system. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the Recorder's Office at the Ravenswood City Hall, 212 Walnut Street, Ravenswood, West Virginia.

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P. O. Box 812, Charleston, West Virginia.

/s/ Judy Wiseman
Recorder
5-25-9

AFFIDAVIT OF PUBLICATION

Cost of Publication _____

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, August 1, 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 ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF RAVENSWOOD, AND THE TEMPORARY FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$2,000,000 IN ACCREGATE PRINCIPAL AMOUNT OF SEWRAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2006 (WEST VIRGINIA HOUSING DEVELOPMENT FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was approved by the Council on July 18, 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 temporary financing of the costs of acquisition and construction of betterments, additions and improvements to the sewerage system of the City and to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewerage system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of 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.

Joan Turner
Clerk
7-20,7-27

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 BOND ORDINANCE~~

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

with the issue of the 20th day of July 2006

and ending with the issue of the 27th day of July 2006 (and

was posted at the _____

on the _____ day of _____, 20____).

1st Gregory S. Matics

Gregory S. Matics, Publisher
The Jackson Star News

Take, subscribed and sworn to before me in my said county this 28th

day of July 2006.

My commission expires

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
SALLY L. CARTER
JACKSON STAR NEWS
P. O. BOX 10 410 RACE ST.
RAVENSWOOD, WV 26164
MY COMMISSION EXPIRES JULY 17, 2011

July 17, 2011
1st Sally L. Carter
Notary Public of Jackson County,
West Virginia

CITY OF RAVENSWOOD

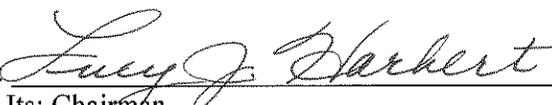
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

PETITION OF SANITARY BOARD

The Sanitary Board of the City of Ravenswood (the "City") hereby petitions the Council of the City to enact an ordinance directing that Sewer Revenue Bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be issued in one or more series in an aggregate amount not to exceed \$2,000,000 for the purpose of (i) paying the Series 2006 Notes; and (ii) paying the costs of issuance and related costs.

February 7, 2012

SANITARY BOARD OF THE CITY OF RAVENSWOOD

By: 
Its: Chairman

735860.00008

5927669

City of Ravenswood Development Authority (the "Authority"). In accordance with the Act, the Authority shall be a public agency and corporation and have perpetual existence.
(Ord. passed 3-5-2002)

§ 33.56 POWERS.

The Authority shall have all powers granted by the Act and any other powers granted to it by applicable law.
(Ord. passed 3-5-2002)

§ 33.57 COMPOSITION.

The Board of the Authority shall consist of 15 members, who shall be appointed by the Common Council by resolution. Five of the original members shall be named for terms of 1 year; 5 of the original members shall be named for terms of 2 years; and 5 of the original members shall be named for terms of 3 years.
(Ord. passed 3-5-2002; Am. Ord. passed 6-18-2002)

§ 33.58 APPOINTMENTS.

At the conclusion of the terms of the appointment of each member of the Authority, the Common Council shall appoint a successor for a term of 3 years. All members shall be residents of the city.
(Ord. passed 3-5-2002)

§ 33.59 VACANCIES.

If any member of the Board of the Authority resign, die or for any reason cease to be a member of the Board, the Common Council shall appoint another individual to fill the unexpired portion of the term of such member.
(Ord. passed 3-5-2002)

§ 33.60 CONVEYANCES.

The Authority shall not convey or transfer any real property conveyed to the Authority by the city without the prior written consent of the Common Council; provided that the Authority may encumber any of its real property to secure payment of any indebtedness of the Authority.
(Ord. passed 3-5-2002)

§ 33.61 INDEBTEDNESS.

No indebtedness of any kind or nature of the Authority shall constitute an indebtedness of the city, the county, or any agency thereof, except the Authority. No indebtedness or obligations incurred by the Authority shall give rise to any right against any member of the Common Council or any member of the Authority.
(Ord. passed 3-5-2002)

§ 33.62 MEETINGS.

The Authority shall meet initially, upon the call of the Mayor, for the purpose of handling organizational matters, including, but not limited to, the adoption of the rules of procedure, in the form attached hereto and shall act upon such other matters as the Mayor shall determine.
(Ord. passed 3-5-2002)

SANITARY BOARD

§ 33.75 CREATED; PURPOSES.

There shall be and there is created in and for the city a Sanitary Board for the custody, supervision, control, administration, operation and maintenance of the city sewer system, all as provided by W. V. Code, Chapter 16, Art. 13.
(1970 Code, § 21-10)

§ 33.76 COMPOSITION; APPOINTMENT AND TERM OF APPOINTIVE MEMBERS.

The Sanitary Board shall be composed of the Mayor and 2 persons appointed by the Common Council. Appointed members shall serve for a term of 3 years and until their successors are duly appointed and qualified. One member shall be appointed in January of 1971 and every 3 years thereafter, and 1 member shall be appointed in January of 1972 and every 3 years thereafter. Appointed members shall take office on the first day of February in the year of their appointment.

(1970 Code, § 21-11)

§ 33.77 FILLING VACANCIES.

Vacancies occurring in the appointive membership of the Sanitary Board shall be filled by the Common Council for the unexpired term only. Should the office of Mayor become vacant, the person lawfully acting as Mayor shall take the place of the Mayor on the Sanitary Board until a new Mayor is duly elected and qualified.

(1970 Code, § 21-12)

§ 33.78 OFFICERS.

The Mayor shall be Chairperson of the Sanitary Board; during February of each year in which a member is appointed or reappointed to the Board, the Board shall elect a Vice Chairperson and designate a Secretary and Treasurer (who may be separate persons or one and the same).

(1970 Code, § 21-12.1)

§ 33.79 COMPENSATION AND BOND OF MEMBERS.

The Common Council reserves the right from time to time, by ordinance or resolution, to fix the compensation of the members of the Sanitary Board and the Secretary and Treasurer thereof and also to

require and fix the amount of bonds which any or all of its officials may be required to furnish.
(1970 Code, § 21-12.2)

§ 33.80 POWERS AND DUTIES.

The Sanitary Board shall have the powers and perform the duties specified for municipal sanitary boards in W.V. Code, Chapter 16, Art. 13; such Board shall also have such powers and perform such duties as may be prescribed for it by this code or other ordinance or resolution of the Common Council not inconsistent with state law.

(1970 Code, § 21-12.3)

AFFIDAVIT OF PUBLICATION

Cost of Publication \$180.20

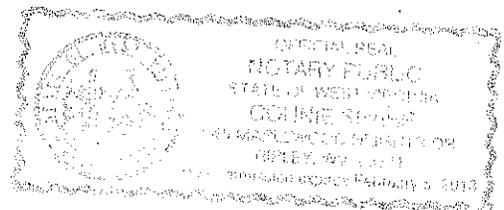
State of West Virginia,
County of Jackson, to wit:

I, Gregory Matics, being first sworn upon my oath, do depose and say that I am editor of Jackson Newspapers, a 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 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 City of Ravenswood was duly published in said newspaper once a week for 2 successive weeks, commencing with the issue of the 9 day of February, 2012 and ending with the issue of the 16 day of February, 2012.

Gregory Matics
Gregory Matics, Editor
Jackson Newspapers

Taken, subscribed and sworn to before me in my said county this 16 day of February 2012.

Connie Sharp
Notary Public of Jackson County, West Virginia



**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, February 21, 2012, at 7:00 p.m. at the City Hall, Ravenswood, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

CITY OF RAVENSWOOD

ORDINANCE AUTHORIZING THE PAYMENT OF THE SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2006 (WEST VIRGINIA HOUSING DEVELOPMENT FUND) OF THE CITY OF RAVENSWOOD, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The Bonds contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used (i) to pay the Sewerage System Bond Anticipation Notes, Series 2006; (ii) to pay a portion of the costs of acquisition and

construction of certain extensions, additions, betterments and improvements to the public sewerage system of the Issuer (the "Project"); and (iii) to pay certain costs of issuance hereof and related costs. The Bonds are payable from the revenues to be derived from the operation of the System. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the City of Ravenswood on February 7, 2012. A certified copy of the above entitled Ordinance is on file with the City for review by interested parties during regular office hours.

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

/s/ Lucy J. Harbert
Mayor
2/9 2/16

CITY OF RAVENSWOOD

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

EXCERPT OF MINUTES ON ADOPTION OF
SUPPLEMENTAL RESOLUTION AND DRAW RESOLUTION

The undersigned RECORDER of the City of Ravenswood of hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Council:

The Council of the City of Ravenswood met in regular session, pursuant to notice duly posted, on the 15th day of May, 2012, in Jackson County, West Virginia, at the hour of 7:00 p.m.

PRESENT:

Lucy Harbert	Mayor
Katherine Garrett	Recorder
Gary Cross	Councilperson
Judy Wiseman	Councilperson
Billy Sharp	Councilperson
Gary Lawson	Councilperson
Mike Kelly	Councilperson

Lucy Harbert, Mayor, presided, and Katherine Garrett, acted as Recorder. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

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

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2012 A OF THE CITY OF

RAVENSWOOD, APPROVING A LOAN RESOLUTION AND
MAKING OTHER PROVISIONS AS TO THE BONDS.

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

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Mike Kelly and seconded by Billy Sharp, it was unanimously ordered that the said Draw Resolution be adopted.

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the City of Ravenswood and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

Dated: June 7, 2012.



Recorder

735860.00008

5958438

**Ravenswood City Council Meeting
February 21, 2012**

Council of the City of Ravenswood met in Council Chambers in regular session Tuesday February 21, 2012 at 7:00 p.m.

In Attendance Mayor Harbert, City Attorney Cogar, Recorder Garrett, Council Members Wiseman, Cross, Kelly, Sharp . Lawson was absent.

Pledge led by Recorder Judy Wiseman

Invocation Gary Cross

Mayor Lucy Harbert called meeting to order 7:00 p.m.

Councilwoman Garrett moved to approve the minutes of January 17, 2012 meeting second by Councilwoman Wiseman. Motion approved 5-0

Reports

Police Chief Lance Morrison Reported Nothing at this time.

City Clerk/ Treasurer Kimberly Benson Nothing to report at this time.

Maintenance Gary Hunt 7 new meters installed today

Planning & Zoning Mike Kelly Nothing to report at this time

Public Hearing Sewer Refunding Bond Questions were answered by John Stump the refinancing is to lock in the interest rate at 3.75% then the amount of the payment can be calculated.

Business

Item #1 Councilman Kelly moved to conduct a public hearing and consider on third reading and act upon a proposed bond ordinance providing for the issuance of its sewer refunding bonds, series 2012 A(the"bonds"). The proceeds of the bond anticipation notes, series 2006 of the issuer (the"project") and (II) to pay certain costs of issuance hereof and related costs. The bonds are payable solely from the revenues derived from the ownership and operation of the system of the City. Second by Councilman Sharp Motion approved 5-0

Item #2 Councilwoman Garrett moved to authorize the Mayor to sign a proclamation granting permission by the common council of the City of Ravenswood for the members of the West Virginia on Trac committee to move forward with the program application submission and proceed with the program if so accepted. Second by Councilwoman Wiseman Motion Approved 5-0

Item #3 Councilman Kelly moved to Authorize the Mayor to approve continuation of the Pro Officer grant Application Councilwoman Wiseman stipulated making known this is only for the application to be submitted . Second by Councilman Sharp Motion Approved 5-0

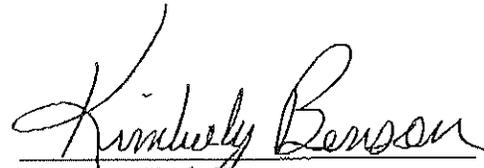
Item #4 Mayor Harbert expressed that the community should be made aware of the vacancies of any committee and given the opportunity to submit their name for such committees. Kathy Garrett also expressed that the committee list should be listed in the paper and anyone wanting to add their name to a file for any committees be allowed to do so. This motion was tabled until that action can be completed.

Mayor's Comments Mayor Harbert announced that there would be a Town Hall Meeting to inform all citizens of the on Trac Program on February 29, 2012 at 6:30 p.m. also that the notification that we are taking applications for Lifeguards was put in the paper. Certifications may be difficult this year as the YMCA is only offering them in late May.

Recorder Garrett Moved to adjourn Second by Councilman Cross Motion Approved 5-0 Meeting adjourned at 7:25 p.m.



Mayor



City Clerk Treasurer

**Ravenswood City Council Meeting
February 7, 2012**

Council of the City of Ravenswood met in Council Chambers in regular session Tuesday February 7, 2012 at 7:00 p.m.

In Attendance Mayor Harbert, City Attorney Cogar, Recorder Garrett, Council Members Wiseman, Cross, Kelly, Sharp Lawson was absent.

Pledge led by Recorder Kathy Garrett

Invocation Gary Cross

Mayor Lucy Harbert called meeting to order 7:00 p.m.

Councilwoman Garrett moved to approve the minutes of January 17, 2012 meeting second by Councilman Sharp. Motion approved 5-0

Reports

Police Chief Lance Morrison Reported on the months activities.

City Clerk/ Treasurer Kimberly Benson Nothing to report at this time.

Maintenance Gary Hunt Nothing to report at this time

Planning & Zoning Mike Kelly Nothing to report at this time

Business

Item #1 Councilman Kelly moved to approve the petition of the sanitary board to act upon the sewer revenue bond pursuant to chapter 13 of the WV code 1931. Second by Councilman Cross motion Approved 5-0

✓ **Item #2** Mayor announced to consider second reading and act upon a proposed bond ordinance providing for the insurance of its sewer refunding bonds, series 2012 A('The Bonds'). The proceeds of the bonds will be used to finance the costs of refunding the sewerage system bond anticipation notes, series 2006 of the issuer (The Project); and (II) to pay certain costs of issuance hereof and related costs. The bonds are payable solely from the revenues derived from the ownership and operation of the system of the city. Councilman Kelly moved to proceed with the afore mentioned reading second by Councilman Cross motion Approved 5-0

Item #3 Recorder Garrett moved to approve wage increase in the amount of \$3000.00 for City Clerk Kimberly Benson beginning with the next pay period Second by Councilman Kelly Motion Approved 5-0

Item #4 Councilman Cross moved to approve reappointment of Amy Perdue to Ravenswood Historic Landmark Commission Second by Councilman Kelly Motion Passed 5-0

Item #5 Councilman Cross moved to approve Councilman Kelly as Council representative to the Ravenswood Historical Landmark Commission Second by Councilwoman Garrett Motion Approved 5-0

Item#6 Councilman Kelly moved to consider and approve access road from parking area south riverfront park to Hartley property for development Second by Councilman Sharp Motion Approved 5-0

Item #7 Councilman Cross moved to approve the Mayors appointment of Clyde Armstead as part time policeman at \$12,50 an hour with no benefits to start February 15, 2012. second by Recorder Garrett motion approved 5-0 Mayor stated that this will save on overtime as Mr. Armstead will be transporting, working vacations and sick leave.

Item #8 Councilman cross moved to consider and approve funding request in the amount of \$1,000 each for the Jackson County Health Department and the Jackson County Library if the budget permits Cross amended his motion to state the money will be for the Ravenswood Library and the Jackson County Health Department Second by Councilman Sharp Motion Approved 5-0

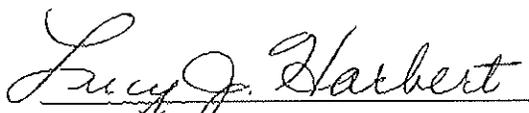
Item #9 Councilman cross moved to approve hiring Rusty Rothenberger the to Maintenance Department at \$10.65 per hour starting February 15, 2012.

Mayor's Comments Mayor Harbert thanked Gary Hunt, Carl Baker, and Ronnie Roush for the wonderful job on painting the council chambers.

Councilwoman Wiseman wanted to let the public know about a phone scam that is affecting our area citizens.

Recorder Garrett asked that Phil Postlewait give a detailed report on his findings of the last three years audit reports.

Councilman Sharp moved to adjourn second by Recorder Garrett Motion Approved 5-0 Meeting adjourned at 8:25 p.m.



Mayor



City Clerk Treasurer

**Ravenswood City Council Meeting
January 17, 2012**

Council of the City of Ravenswood met in Council Chambers in regular session Tuesday January 17, 2012 at 7:00 p.m.

In Attendance Mayor Harbert, City Attorney Cogar, Recorder Garrett, Council Members Wiseman, Cross, Kelly, Lawson, Sharp was all present.

Pledge led by Billy Sharp

Invocation Gary Cross

Mayor Lucy Harbert called meeting to order 7:00 p.m.

Councilwoman Garrett moved to approve the minutes of January 3, 2012 meeting second by Councilman Sharp. Motion approved 6-0

Reports

Police Chief Lance Morrison Nothing to report at this time.

City Clerk/ Treasurer Kimberly Benson Nothing to report at this time.

Maintenance Gary Hunt Nothing to report at this time

Planning & Zoning Mike Kelly Nothing to report at this time

Business

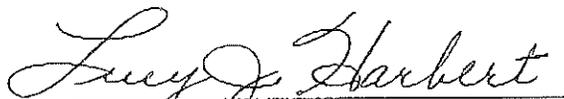
✓ Item #1 Mayor announced to consider first reading and act upon a proposed bond ordinance providing for the insurance of its sewer refunding bonds, series 2012 A("The Bonds"). The proceeds of the bonds will be used to finance the costs of refunding the sewerage system bond anticipation notes, series 2006 of the issuer (The Project); and (II) to pay certain costs of issuance hereof and related costs. The bonds are payable solely from the revenues derived from the ownership and operation of the system of the city.

Item #2 Councilwoman Wiseman moved to approve resolution to have bond payments electronically deposited into bank. Second by Councilman Cross After discussion motion failed 1-5

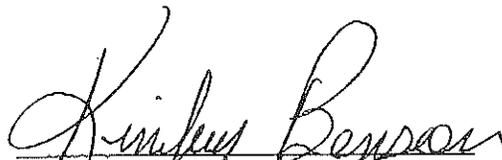
Item #3 Councilwoman Wiseman moved to approve advertising for bids for street paving second by Councilman Sharp motion Approved 6-0

Councilman Lawson moved for adjournment second by Councilwoman Garrett Motion
Approved 6-0 meeting adjourned 7:25

Mayor presented Chief of Police Lance Morrison with a plaque from AAA for traffic
safety.



Mayor



City Clerk/Treasurer

WV MUNICIPAL BOND COMMISSION

1207 Quarrier Street
 Suite 400
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 6/7/2012

ISSUE: <u>City of Ravenswood</u> <u>Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture)</u>	
ADDRESS: <u>212 Walnut Street, Ravenswood, West Virginia 26164</u>	COUNTY: <u>Jackson</u>
PURPOSE OF ISSUE: New Money: <input checked="" type="checkbox"/> <u>x</u> Refunding: <input type="checkbox"/> _____	
ISSUE DATE: <u>6/7/2012</u>	REFUNDS ISSUE(S) DATED: <u>NA</u>
ISSUE AMOUNT: <u>\$1,334,604.00</u>	CLOSING DATE: <u>6/7/2012</u>
1ST DEBT SERVICE DUE: <u>NA</u>	RATE: <u>3.375%</u>
1ST DEBT SERVICE AMOUNT <u>NA</u>	1ST PRINCIPAL DUE <u>NA</u>
	PAYING AGENT: <u>Issuer</u>
BOND COUNSEL: Firm: <u>Steptoe & Johnson PLLC</u> Contact <u>John Stump, Esquire</u> Phone: <u>(304) 353.8196</u>	
UNDERWRITERS COUNSEL: Firm: _____ Contact: _____ Phone: _____	
CLOSING BANK: Bank: <u>WesBanco Bank, Inc.</u> Contact: <u>Robin</u> Phone: <u>304.273.9351</u>	
ESCROW TRUSTEE: Firm: _____ Contact: _____ Phone: _____	
KNOWLEDGEABLE ISSUER CONTACT Contact: <u>Lucy Harbert</u> Position: <u>Mayor</u> Phone: <u>304.273.2621</u>	
OTHER: Agency: <u>United States Department of Agriculture</u> Contact: <u>Virginia McDonald</u> Position: <u>Rural Developoment Specialist</u> Phone: <u>304.372.3441</u>	
DEPOSITS TO MBC AT CLOSE By: <input checked="" type="checkbox"/> <u>x</u> Wire _____ <input type="checkbox"/> Check _____ Accrued Interest: _____ Capitalized Interest: _____ Reserve Account: _____ <input checked="" type="checkbox"/> <u>x</u> Other: <u>Payoff Series 2006 BAN</u> <u>\$1,312,604.00</u>	
REFUNDS & TRANSFERS BY MBC AT CLOSE By: <input type="checkbox"/> Wire _____ <input type="checkbox"/> Check _____ <input checked="" type="checkbox"/> <u>x</u> IGT _____ To Escrow Trustee _____ To Issuer _____ To Cons. Invest. Fund _____ <input checked="" type="checkbox"/> <u>x</u> To Other: <u>Payoff Series 2006 BAN</u> <u>\$20,495.71</u>	
NOTES: <u>Monthly debt service payments will be made by the City directly to the National Finance Office.</u> <u>The Municipal Bond Commission will only hold the Series 2012 A Reserve Account. The first payment into the Reserve Account is due 24 months from the date of closing.</u>	
FOR MUNICIPAL BOND COMMISSION USE ONLY: DOCUMENTS REQUIRED: _____ TRANSFERS REQUIRED: _____	


United States Department of Agriculture
Rural Development
Ripley Area Office

June 7, 2012

The Honorable Lucy J. Harbert
Mayor, City of Ravenswood
212 Walnut Street
Ravenswood, WV 26164

Re: Sewerline Extension Project

Dear Mayor Harbert:

Please consider this letter a general outline of requirements the City has agreed to adhere to in connection with receiving the Rural Development (RD) loan of \$1,334,604.00.

The City will be required to make regular monthly principal and interest payments in the amount of **\$5,072.00** beginning **July 7, 2012** and continuing on the 7th day of each month thereafter until the loan is retired.

Payments should be made payable to Rural Development and sent to:

USDA Rural Development
2118 Ripley Road
Ripley WV 25271

The City's bond ordinance stipulates the establishment of accounts. This is nothing more than your agreement regarding the use of revenues of the sewer system and is outlined as follows:

Sewer Revenue Bond - Series 2012

Revenue Account

1. Operation and Maintenance Fund
2. Debt Service Fund – Regular payments of **\$5,072.00** per month to Rural Development until retirement of the debt.
3. Debt Service Reserve Fund – Deposit **\$508.00** per month until a minimum of **\$60,864.00** is attained. This account is to be established with the West Virginia Municipal Bond Commission. Funding of this account will commence no later than **July 7, 2012**.

It is important that the funds be managed in accordance with your bond. Accordingly, you should refer to the bond ordinance if you have questions regarding the flow of funds.

2118 Ripley Road, Ripley, WV 25271
Phone: (304) 372-6231 Ext. 4 • Fax: (304) 372-6856 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410, or call (800)795-3272 (voice) or (202) 720-6382 (TDD)

In addition to the financial obligations of the loan documents, the City will be required to submit annual management reports to Rural Development for the sewer system. The management reporting requirements are specified below:

1. **One month prior to the beginning of your fiscal year:**

Form RD 442-2, "Statement of Budget, Income and Equity", with data entered in column 3 of page 1, "Annual Budget", of Schedule 1, and all of Schedule 2, "Projected Cash Flow", completed.

2. **Within 60 days following the end of your fiscal year:**

- a. Form RD 442-2, "Statement of Budget, Income and Equity", with all information completed on Schedule 1.
- b. Form RD 442-3, "Balance Sheet".
- c. A copy of the rate schedule in effect at the time of submission

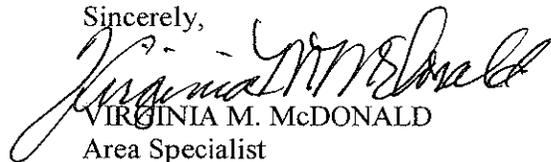
3. **Annual Audit Report** (a. or b. as applicable)

- a. If the City expends \$500,000 or more in Federal financial assistance per fiscal year, an audit conducted in accordance with OMB Circular A-133 and RUS Bulletin 1780-31 is due within 9 months after the end of that fiscal year.
- b. If the City expends less than \$500,000 in Federal financial assistance per fiscal year and has an outstanding RD loan balance of \$1,000,000 or more, an audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) and RUS Bulletin 1780-30, Water Programs Audit Guide and Compliance Supplement is due within 150 days after the end of that fiscal year.

The forms and bulletins referenced above may be accessed at <http://www.rurdev.usda.gov/regs/> or <http://www.usda.gov/rus/water/regs.htm>.

We hope this information is helpful to the City in understanding its obligation. However, please feel free to contact the USDA Rural Development Area Office in Ripley at (304) 372-6231, extension 4 should you have questions.

Sincerely,


VIRGINIA M. McDONALD
Area Specialist

cc: State Director ✓
USDA Rural Development
Morgantown, WV


United States Department of Agriculture
Rural Development
Ripley Area Office

May 4, 2012

The Honorable Lucy J. Harbert
Mayor, City of Ravenswood
212 Walnut Street
Ravenswood, WV 26164

Dear Mayor Harbert:

The pre-closing for the City's Rural Development (RD) loan will be held on June 5, 2012, at 10:00 AM at the City Building in Ravenswood, West Virginia. The official loan closing date for the Sewer System Extension Project will be June 7, 2012.

Reference is made to our Letter of Conditions dated April 24, 2006. All of the requirements of this letter must be met and in addition, the loan must be closed in accordance with RUS Instruction 1780 and "Closing Guidelines for Community Facilities Loans to Public Bodies."

The RD loan of \$1,334,604 will be closed utilizing an interest rate of 3.375%. Principal and interest payments of \$5,072 will commence 30 days following delivery of the bond. The City must establish a debt service reserve account at the West Virginia Municipal Bond Commission. Funding of this account will also commence 30 days following delivery of the bond. This account must be funded on a monthly basis with an amount equal to 10% of the monthly payment until the equivalent of one annual installment on the loan is accumulated.

The following items should be submitted to our office as soon as possible but no later than May 29, 2012:

1. The City's accountant must certify that the accounts and records as required by the City's bond ordinance have been established and are operational.
2. The City must submit the executed Accounting Services Agreement between the City and Phillip R. Postlewait, Jr., CPA.
3. The City must provide evidence that it has acquired insurance and bond coverage in accordance with Item 11 of the Letter of Conditions.
4. The City must furnish evidence that it provides State Workers' Compensation Insurance. A certificate of good standing will be satisfactory.

2118 Ripley Road, Ripley, WV 25271
Phone: (304) 372-6231 Ext. 4 • Fax: (304) 372-6856 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

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5. The City must submit the executed Bond Counsel Engagement Letter between the City and Steptoe & Johnson, PLLC.
6. The City must submit an advance copy of the closing drawdown.

On the day of pre-closing, the following documents must be provided:

1. The City's attorney will need to provide Form RD 442-22 "Opinion of Counsel Relative to Rights of Way," showing no exceptions. This form should be dated June 7, 2012.
2. The City's attorney must furnish a Form RD 1927-10 "Final Title Opinion," on all property owned by the City in connection with the sewer system. A single final title opinion may be provided if it includes an attachment which adequately addresses each of the parcels. The opinion should be dated June 7, 2012.

If you have any questions regarding these or any other matters pertaining to your loan, please contact our office at your earliest convenience.

Sincerely,



VIRGINIA M. McDONALD
Area Specialist

enclosure

cc: State Director
USDA Rural Development
Morgantown, WV

Phillip R. Postlewait, Jr., CPA
Parkersburg, WV

John Stump, Esquire w/enclosure ✓
Steptoe & Johnson, PLLC
Charleston, WV

Steve Cogar, Esquire w/enclosures
Ravenswood, WV

CLOSING GUIDELINES FOR
WATER AND WASTEWATER LOANS TO PUBLIC BODIES

At or before the closing for the financing, the following conditions must be satisfied:

1. General Requirements. There must be full compliance with all requirements specified in (a) applicable Rural Development Instructions, (b) correspondence from OGC, (c) any applicable correspondence from the Administrator's office, (d) RD letter of conditions, (e) clearinghouse comments, and (f) any state office memorandum of approval.
2. Loan Resolution. Confirm that the Applicant has duly adopted the fully executed RUS Bulletin 1780-27, Loan Resolution (Public Bodies).
3. Grant Agreement. In the event that a grant is also to be made to the Applicant, then the grant may be closed in accordance with RD Instructions provided that these Closing Instructions have also been complied with and duly authorized officials of the Applicant have fully executed RUS Bulletin 1780-12, Water and Waste System Grant Agreement.
4. Civil Rights. Confirm that the following fully executed civil rights forms are in the docket:
 - a. Form RD 400-1, Equal Opportunity Agreement.
 - b. Form RD 400-4, Assurance Agreement
 - c. Form RD 400-8, Compliance Review (Pre-loan closing).
5. Environmental Impact. Confirm that the appropriate level of environmental assessment has been completed and is documented in the case file.
6. Clearinghouse Comments. Confirm that A-95 approvals have been received from both state and regional clearinghouses. Note any comments received and confirm that the Applicant intends to comply with such comments. If the Applicant expresses a contrary intention, the State Office should be notified immediately in detail. The State Office should consult OGC with respect to the legal ramifications of any such noncompliance.
7. Specimen Bond(s). Prior to closing, confirm that the terms of the specimen bond(s) are consistent with RD Instructions, the RD Letter of Conditions and other obligating documents. Amortization schedules and maturity dates should be checked very carefully.
8. Certification of Payment. If RD loan proceeds will be used to retire interim indebtedness, the procedures as outlined in RUS Instruction 1780, §1780.9(f), must be followed.

regulating the use of the improvements, if such documents are not included in the minutes furnished.

- g. Copies of official Notice of Sale and Affidavit of Publication of Notice of Sale unless Bond Counsel advises you that this is not applicable.
- h. Specimen Bond (of each denomination), with any attached coupons.
- i. No Litigation Certificate of Local Counsel (see Item 12 below).
- j. Certified copies of resolutions or other documents pertaining to the award of the Bond(s).
- k. Non-Arbitrage Certificate.
- l. Any additional or supporting documents required by Bond Counsel.
- m. Preliminary approving opinion, if any, and final unqualified approving opinion of Bond Counsel, including opinion regarding interest on bonds being exempt from Federal and any State income taxes.

Any omissions from the Bond transcript should be supplied by the Area Director with the assistance of the Applicant and Bond Counsel. Obviously, certain documents listed above will normally be delivered prior to the closing.

- 12. Attorney's No-Litigation Certificate. Local Counsel should deliver a manually-executed original attorney's no-litigation certificate dated the date of closing.
- 13. Evidence of Title. In all cases, confirm that Local Counsel has supplied RD with his or her title opinion regarding the sites for any project structures such as treatment plants and community buildings. The opinion should be on Form RD 1927-10 with any changes necessary to reflect the circumstances of this financing. In the case of utility-type financings, confirm that executed Form RD 442-22 concerning rights-of-way is also in the docket. Any title exceptions should either be removed prior to closing or be specifically cleared through OGC.
- 14. Additional Instructions. OGC will normally issue additional closing instructions on a case-by-case basis containing special requirements for specific loans. The Area Director should review the Closing Instructions prepared by OGC relating to the specific case and close the loan in accordance with those instructions.

Updated 3/1/2012



United States Department of Agriculture
Rural Development
West Virginia State Office

April 24, 2006

RECEIVED
06 MAY - 8 PM 3: 52
W. VA. PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

The Honorable Lucy J. Harbert
Mayor, City of Ravenswood
212 Walnut Street
Ravenswood, WV 26164

Dear Mayor Harbert:

This letter, with Attachments 1 through 13 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$2,000,000, for a total project cost of \$2,000,000.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

- Attachment No. 1 - Project Construction Budget (All Copies)
- Attachment No. 2 - Water and Waste Processing Checklist for the City of Ravenswood (All Copies)
- Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
- Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)
- Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)

75 High Street Federal Building, Suite 320, Morgantown, WV 26505-7500
Phone: (304) 284-4860 • Fax: (304) 284-4893 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

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- Attachment No. 6 - RUS Supplemental General Conditions (Engineer Copy)
Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Project with RUS Financial Assistance"
Attachment No. 8 - Government Auditing Standards (Revision 1994) (Accountant Copy)
Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"
Attachment No. 11 - Sample Credit Agreement (Applicant Copy)
Attachment No. 12 - RUS Policy regarding Use of Remaining Funds
Attachment No. 13 - Various other RD Forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.375% interest rate and a monthly amortization factor of .00451, which provides for a monthly payment of \$9,020. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RUS loan, in whole or in part, upon the request of RUS if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.
2. Security - The loan must be secured by a statutory lien of equal priority with the City's existing sewer revenue bonds, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond ordinance which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-27 which is mentioned later.
3. Users - This conditional commitment is based upon you providing evidence that you will have at least 1,769 bona fide users on the proposed system when it has been completed and is placed in operation.

This evidence will consist of a signed certification from you that identifies and attests to the number of users actually connected to and using the City's existing sewer system, which is to be partially replaced by the new system, at the time you request authorization to advertise the proposed project for construction bids. The six proposed new users on the system will be required by statute (mandatory hook-up provision) to connect to and utilize the system. The City must provide a written certification that it will enforce the state statute.

4. Bond Counsel Services - The services of a recognized bond counsel are required. The bond counsel will prepare the form of ordinance to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.
5. Engineering Services - It will be necessary for you to obtain the services of an engineer. EJCDC No. 1910-1-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.
6. Legal Services - It will be necessary for you to obtain the services of a local attorney. For your convenience the RUS, "Legal Services Agreement" is enclosed for your use.
7. Accounting Services - It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:
 - a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).
 - b. Prior to loan closing, your accountant must certify that the accounts and records as required by your bond ordinance have been established and are operational.

The Accountant's Agreement should be submitted to RUS for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RUS concurrence is obtained.

RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on the City. The attached booklets, "Government Auditing Standards (Revised 2003)" (Attachment No. 8), and RUS Bulletins 1780-30 1780-31 (Attachment Nos. 9 and 10) outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends \$500,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:
 - a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the City already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.
 - c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.
 - d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.

- e. On the day of loan closing, the City's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the City has already acquired real property(s) (land or facilities), the City's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.
9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:
 - West Virginia Department of Highways
 - State Department of Health
 - Department of Environmental Protection
 - Corps of Engineers
 - Public Land Corporation
 10. Public Service Commission Approvals - You must obtain the following from the West Virginia Public Service Commission:
 - a. A Certificate of Convenience and Necessity.
 - b. Approval of user charges that are acceptable to you and the Rural Utilities Service.
 - c. Approval of financing for the project's proposed financing arrangements.

The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.

11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:
 - a. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.
 - b. Workers' Compensation - In accordance with appropriate State laws.
 - c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount

equal to the maximum amount of funds to be under the control of that position at any one time. During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage by the amount of the estimated highest monthly construction drawdown. Once construction is complete, you may decrease the amount of your coverage. Please note that the cost of the temporary increase in coverage is an eligible project cost.

The minimum coverage acceptable to RUS once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

- d. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

12. Contract Documents, Final Plans and Specifications -

- a. The contract documents should consist of the following:

- (1) EJCDC Document No. 1910-8-A-1-FA, 1997 Edition, "Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. 1910-8-FA, "Standard General Conditions of the Construction Contract - Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.
- (2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance," is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

- b. The contract documents must provide, as a minimum, the following insurance:

- (1) Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the City and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

- (2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.
 - (3) Workers' Compensation - In accordance with applicable State laws.
- c. The contract documents and final plans and specifications must be submitted to RUS for approval.
 - d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.
13. State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.
 14. Interim Financing - Interim financing will be used for the RUS loan. You must provide RUS with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RUS review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 11).
 15. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of the City, over 30 day periods. Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

The City will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of \$100,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The City must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.

16. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 1940-1 - "Request for Obligation of Funds"
RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"

Form RD 400-1 - "Equal Opportunity Agreement"
 Form RD 400-4 - "Assurance Agreement"
 Form AD 1047 - "Certification Regarding Debarment - Primary"
 Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"
 FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and
 Loans"
 Certification of Compliance
 Form RD 1942-46, "Letter of Intent to Meet Conditions"

17. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan docket. All the items listed must be included in the loan docket when it is forwarded to the USDA – Rural Development State Office with a request for loan closing instructions to be issued.
18. Upon receipt of the loan docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

The "RUS Policy Regarding Use of Remaining Funds" is attached for your information and use (Attachment No. 12). This policy should be adhered to when addressing the use of bid underrun funds, as well as any funds remaining after project construction is complete.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS loan funds and would be applied as an extra payment toward the loan balance.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely yours,

Dianne Hoff Chrysler
for ROBERT M. STEPTOE, III
State Director

Enclosures

cc: Rural Development Specialist
Parkersburg, WV

Phil Postelwait, CPA
Parkersburg, WV

Robert D. Fisher, Esquire
Ripley, WV

West Virginia Housing Development Fund
Charleston, WV

Burgess & Niple, Inc.
Parkersburg, WV

John Stump, Esquire
Charleston, WV

Project Construction Budget

<u>PROJECT COST</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 1,379,000	\$ 1,379,000
CONST. CONTINGENCY	\$ 69,000	\$ 69,000
LAND & RIGHTS	\$ 32,000	\$ 32,000
LEGAL FEES	\$ 3,000	\$ 3,000
BOND COUNSEL	\$ 15,000	\$ 15,000
ACCOUNTING	\$ 6,000	\$ 6,000
ENGINEERING FEES	\$ 373,000	\$ 373,000
Basic - \$245,000		
Insp. - \$93,000		
Special - \$35,000		
INTEREST	\$ 90,000	\$ 90,000
PROJECT CONTG.	\$ 33,000	\$ 33,000
TOTAL	\$ 2,000,000	\$ 2,000,000

Rates

Available for general domestic, commercial, and industrial service.

First	2,000	gallons @	\$	7.17	per M gallons
Next	10,000	gallons @	\$	6.15	per M gallons
Over	12,000	gallons @	\$	3.79	per M gallons

Flat Rate (for unmetered customers)

Residential	\$29.72 per month
Commercial or Industrial	\$87.21 per month

Minimum Charge

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

5/8" x 3/4"	meter	\$	14.34	per month
3/4"	meter	\$	21.51	per month
1"	meter	\$	35.85	per month
1 1/2"	meter	\$	71.70	per month
2"	meter	\$	114.72	per month
3"	meter	\$	215.10	per month
4"	meter	\$	358.50	per month
6"	meter	\$	717.00	per month
8"	meter	\$	1,147.20	per month

Minimum Monthly Bill \$ 14.34 for 2,000 gallons

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

Prior to Construction - \$100.00

After the start of construction, there shall be a charge of \$400.00 for connection to the system.

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

CITY OF RAVENSWOOD
USE AND INCOME ANALYSIS
EXISTING SYSTEM

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 2,000	Next 10,000	Over 12,000	TOTAL REVENUE
0 - 2,000	482	3,064.04	385	2,754.37			
2,001 - 12,000	1,207	4,217.02		4,217.02			
Over 12,000	74	2,592.58				2,592.58	
Monthly Total	1,763	9,873.64	385	2,754.37	4,217.02	2,592.58	
Proposed Rates				\$ 14.34	\$ 7.17	\$ 6.15	\$ 3.79
Monthly Revenues				\$ 5,520.90	\$ 19,748.83	\$ 25,934.67	\$ 9,825.88
Annual Revenues				\$ 66,250.80	\$ 236,985.99	\$ 311,216.08	\$ 117,910.54
					Adjustment Factor	0.98886153	
					Adjusted Annual Revenues		\$ 724,206

CITY OF RAVENSWOOD
USE AND INCOME ANALYSIS
EXTENSION AREA

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 2,000	Next 10,000	Over 12,000	TOTAL REVENUE
0 - 2,000	2	2.00		4.00			
2,001 - 12,000	2	10.00			20.00		
Over 12,000	2	33.50				67.00	
Monthly Total	6	45.50	0	4.00	20.00	67.00	
Proposed Rates			\$ 14.34	\$ 7.17	\$ 6.15	\$ 3.79	
Monthly Revenues			\$ -	\$ 28.68	\$ 123.00	\$ 253.93	\$ 405.61
Annual Revenues			\$ -	\$ 344.16	\$ 1,476.00	\$ 3,047.16	\$ 4,867.32

CITY OF RAVENSWOOD
OPERATING BUDGET

OPERATING INCOME

Metered Sales \$ 729,073
Penalties \$ 27,768
Other Income \$ 1,400
Reconnect Fees
TOTAL OPERATING INCOME

\$ 758,241

NON OPERATING INCOME

Interest income \$ 342
TOTAL NON OPERATING INCOME

\$ 342

TOTAL INCOME

\$ 758,583

EXPENSES

O & M \$ 266,331
Taxes \$ 6,630
TOTAL EXPENSES

\$ 272,961

INCOME AVAILABLE FOR D/S

\$ 485,622

DEBT SERVICE

Existing Bond P & I \$ 58,906
Lagoon Impr. Bond P & I \$ 221,856
Proposed Bond P & I \$ 108,240
TOTAL DEBT SERVICE

\$ 389,002

DEBT SERVICE RESERVE

Debt Service Reserve-Existing \$ 5,891
Debt Service Reserve-Lagoon Impr. \$ 22,186
Debt Service Reserve \$ 10,824
TOTAL DEBT SERVICE RESERVE

\$ 38,901

SURPLUS (DEFICIT)

\$ 57,719

DEBT COVERAGE

125%

Attachment No. 2 to Letter of Conditions
 For: City of Ravenswood
 Date: April 24, 2006

UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL UTILITIES SERVICE
 Water and Waste Processing Checklist

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position	
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		HAVE	3	
	DUNS Number	1		Applicant		HAVE	3	
	CAIVRS Number	1		RUS			CPAP Form	
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		HAVE	3	
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		HAVE	3	
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		HAVE	5	
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		HAVE	2	
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant			1	
	Staff Review Financial Statements	1	S.I. 1780.2	RUS			1	
	EJCDC No. 1910-1-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		HAVE	6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		HAVE	5
	Site Visit		S.I. 1780-2	RUS		HAVE	3
	Processing Conference	1	1780.39(a)	RUS		HAVE	3
	Environmental Report	2	1794	Applicant		HAVE	3
	Environmental Assessment	2	1794	RUS/ Engineer		HAVE	3
	FONSI/ Evidence of Publication	1	Exhibit 1 RUS 1794 News Ad	RUS/ Applicant		HAVE	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		HAVE	6
	Staff Engineer PER Review	1	1780.33(c)	RUS			3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer			8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer			8
	Statement reporting the <u>total</u> number of <u>potential</u> users		1780.33(c)	Applicant/ Engineer			8
	Rate Tariff	2	1780.33	Applicant		HAVE	8

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		HAVE	3
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS			3
	Documentation on Service Area	1	1780.11	RUS			3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS			1
	Letter of Conditions	7	1780.41 (a)(5)	RUS			3
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant			2
CPAP Form	Project Summary	3	1780.41(a)	RUS			1
CPAP Form	Underwriting Information	3	1780.41(a)	RUS			2
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant			2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant			3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant			5

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS			3
RD 1910-11	Applicant Certification, Federal Collect- ion Policies	1	1780.33(h)	Applicant			3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant			5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant			6
RD 400-4	Assurance Agreement	1	1901-E	Applicant			3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel			5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant			5
	Sewer Users Agreement or State Health Dept. Mandatory Hook-Up Com- mitment Ltr.	1	1780.39 (c)(3)	Applicant			5
	Evidence of Users:						
	1. Map of Users with each identified by number	1	LOC	Applicant			Separate File
	2. List of Signed Users Numbered to Map	1	LOC	Applicant			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	3. List of Declination Statements Numbered to Map	1	LOC	Applicant			5
	4. Evidence of Tap Fees Being Paid	1	LOC	Applicant			5
	5. Having Users Agreements and Declination Statements Available		LOC	Applicant			
	6. Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant		HAVE	3
Lender Agreement/ Bulletin 1780-10/ 1780-10a	Interim Financing Documentation	1	1780.39(d)	Applicant/ RUS			1
	DOH Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Dept. of Health Approval	1	1780.15(d)	Engineer			6
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

Subpart D - Information Pertaining to Preparation of Notes or Bonds and Bond Transcript Documents for Public Body Applicants Subpart D - Information Pertaining to Preparation of Notes or Bonds and Bond Transcript Documents for Public Body Applicants"

§1780.80 General.

This subpart includes information for use by public body applicants in the preparation and issuance of evidence of debt (bonds, notes, or debt instruments, referred to as bonds in this subpart) and other necessary loan documents.

§1780.81 Policies related to use of bond counsel.

The applicant is responsible for preparation of bonds and bond transcript documents. The applicant will obtain the services and opinion of recognized bond counsel experienced in municipal financing with respect to the validity of a bond issue, except for issues of \$100,000 or less. With prior approval of the approval official, the applicant may elect not to use bond counsel. Such issues will be closed in accordance with the following:

- (a) The applicant must recognize and accept the fact that application processing may require additional legal and administrative time;
- (b) It must be established that not using bond counsel will produce significant savings in total legal costs;
- (c) The local attorney must be able and experienced in handling this type of legal work;
- (d) The applicant must understand that it will likely have to obtain an opinion from bond counsel at its expense should the Agency require refinancing of the debt;
- (e) Bonds will be prepared in accordance with this regulation and conform as closely as possible to the preferred methods of preparation stated in §1780.94; and
- (f) Closing instructions must be issued by OGC.

§1780.82 [Reserved]

§1780.83 Bond transcript documents

Any questions relating to Agency requirements should be discussed with Agency representatives. Bond counsel or local counsel, as appropriate, must furnish at least two complete sets of the following to the applicant, who will furnish one complete set to the Agency:

- (a) Copies of all organizational documents;
- (b) Copies of general incumbency certificate;
- (c) Certified copies of minutes or excerpts from all meetings of the governing body at which action was taken in connection with the authorizing and issuing of the bonds;
- (d) Certified copies of documents evidencing that the applicant has complied fully with all statutory requirements incident to calling and holding a favorable bond election, if one is necessary;
- (e) Certified copies of the resolutions, ordinances, or other documents such as the bond authorizing resolutions or ordinances and any resolution establishing rates and regulating use of facility, if such documents are not included in the minutes furnished;
- (f) Copies of the official Notice of Sale and the affidavit of publication of the Notice of Sale when State statute requires a public sale;
- (g) Specimen bond, with any attached coupons;
- (h) Attorney's no-litigation certificate;
- (i) Certified copies of resolutions or other documents pertaining to the bond award;
- (j) Any additional or supporting documents required by bond counsel;
- (k) For loans involving multiple advances of Agency loan funds, a preliminary approving opinion of bond counsel (or local counsel if no bond counsel is involved) if a final unqualified opinion cannot be obtained until all funds are advanced. The preliminary opinion for the entire issue shall be delivered at or before the time of the first advance of funds. It will state that the applicant has the legal authority to issue the bonds, construct, operate and maintain the facility, and repay the loan, subject only to changes occurring during the advance of funds, such as litigation resulting from the failure to advance loan funds, and receipt of closing certificates;
- (l) Final unqualified approving opinion of bond counsel, (and preliminary approving opinion, if required) or local counsel if no bond counsel is involved, including an opinion as to whether interest on bonds will be exempt from Federal and State income taxes. With approval of the State program official, a final opinion may be qualified to the extent that litigation is pending relating to Indian claims that may affect title to land or validity of the obligation. It is permissible for such opinion to contain language referring to the last sentence of Section 306 (a)(1) or to Section 309A (h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 (a)(1) or 1929a (h)).

§§1780.84 and 1780.86 [Reserved]

§1780.87 Permanent instruments for Agency loans.

Agency loans will be evidenced by an instrument determined legally sufficient and in accordance with the following order of preference:

(a) First preference - Form RD 440-22, "Promissory Note". Refer to paragraph (b) of this section for methods of various frequency payment calculations.

(b) Second preference - single instruments with amortized installments. A single instrument providing for amortized installments which follows Form RD 440-22 as closely as possible. The full amount of the loan must show on the face of the instrument, and there must be provisions for entering the date and amount of each advance on the reverse or an attachment. When principal payments are deferred, the instrument will show that "interest only" is due on interest-only installment dates, rather than specific dollar amounts. The payment period including the "interest only" installment cannot exceed 40 years, the useful life of the facility, or State statute limitations, whichever occurs first. The amortized installment, computed as follows, will be shown as due on installment dates thereafter.

(1) Monthly payments. Multiply by twelve the number of years between the due date of the last interest-only installment and the final installment to determine the number of monthly payments. When there are no interest-only installments, multiply by twelve the number of years over which the loan is amortized. Then multiply the loan amount by the amortization factor and round to the next higher dollar.

(2) Semiannual payments. Multiply by two the number of years between the due date of the last interest-only installment and the due date of the final installment to determine the correct number of semiannual periods. When there are no interest-only installments, multiply by two the number of years over which the loan is amortized. Then multiply the loan amount by the applicable amortization factor.

(3) Annual payments. Subtract the due date of the last interest-only installment from the due date of the final installment to determine the number of annual payments. When there are no interest-only installments, the number of annual payments will equal the number of years over which the loan is amortized. Then multiply the loan amount by the applicable amortization factor and round to the next higher dollar.

(c) Third preference - single instruments with installments of principal plus interest. If a single instrument with amortized installments is not legally permissible, use a single instrument providing for installments of principal plus interest accrued on the principal balance. For bonds with semiannual interest and annual principal, the interest is calculated by multiplying the principal balance times the interest rate and dividing this figure by two. Principal installments are to be scheduled so that total combined interest and principal payments closely approximate amortized payments.

(1) The repayment terms concerning interest only installments described in paragraph (b) of this section apply.

(2) The instrument shall contain in substance provisions indicating:

(i) Principal maturities and due dates;

(ii) Regular payments shall be applied first to interest due through the next principal and interest installment due date and then to principal due in chronological order stipulated in the bond; and

(iii) Payments on delinquent accounts will be applied in the following sequence:

(A) billed delinquent interest;

(B) past due interest installments;

(C) past due principal installments;

(D) interest installment due; and

(E) principal installment due.

(d) Fourth preference - serial bonds with installments of principal plus interest. If instruments described under the first, second, and third preferences are not legally permissible, use serial bonds with a bond or bonds delivered in the amount of each advance. Bonds will be numbered consecutively and delivered in chronological order. Such bonds will conform to the minimum requirements of §1780.94. Provisions for application of payments will be the same as those set forth in paragraph (c)(2)(ii) of this section.

(e) Coupon bonds. Coupon bonds will not be used unless required by State statute. Such bonds will conform to the minimum requirements of §1780.94.

§1780.88 [Reserved]

§1780.89 Multiple advances of Agency funds using permanent instruments.

Where interim financing from commercial sources is not used, Agency loan proceeds will be disbursed on an "as needed by borrower" basis in amounts not to exceed the amount needed during 30-day periods.

§1780.90 Multiple advances of Agency funds using temporary debt instruments.

When none of the instruments described in §1780.87 are legally permissible or practical, a bond anticipation note or similar temporary debt instrument may be used. The debt instrument will provide for multiple advances of Agency funds and will be for the full amount of the Agency loan. The instrument will be prepared by bond counsel, or local counsel if bond counsel is not involved, and approved by the State program official and OGC. At the same time the Agency delivers the last advance, the borrower will deliver the permanent bond instrument and the canceled temporary instrument will be returned to the borrower. The approved debt instrument will show at least the following:

- (a) The date from which each advance will bear interest;
- (b) The interest rate as determined by §1780.13;
- (c) A payment schedule providing for interest on outstanding principal at least annually; and
- (d) A maturity date which shall be no earlier than the anticipated issuance date of the permanent instruments and no longer than the 40-year statutory limit.

§§1780.91 - 1780.93 [Reserved]**§1780.94 Minimum bond specifications.**

The provisions of this section are minimum specifications only and must be followed to the extent legally permissible.

- (a) **Type and denominations.** Bond resolutions or ordinances will provide that the instruments be either a bond representing the total amount of the indebtedness or serial bonds in denominations customarily accepted in municipal financing (ordinarily in multiples of not less than \$1,000). Single bonds may provide for repayment of principal plus interest or amortized installments. Amortized installments are preferred by the Agency.
- (b) **Bond registration.** Bonds will contain provisions permitting registration for both principal and interest. Bonds purchased by the Agency will be registered in the name of "United States of America" and will remain so registered at all times while the bonds are held or insured by the Government. The Agency address for registration purposes will be that of the Finance Office.

- (c) **Size and quality.** Size of bonds and coupons should conform to standard practice. Paper must be of sufficient quality to prevent deterioration through ordinary handling over the life of the loan.
- (d) **Date of bond.** Bonds will normally be dated as of the day of delivery. However, the borrower may use another date if approved by the Agency. Loan closing is the date of delivery of the bonds or the date of delivery of the first bond when utilizing serial bonds, regardless of the date of delivery of the funds. The date of delivery will be stated in the bond if different from the date of the bond. In all cases, interest will accrue from the date of delivery of the funds.
- (e) **Payment date.** Loan payments will be scheduled to coincide with income availability and be in accordance with State law.
- (1) If income is available monthly, monthly payments are recommended unless precluded by State law. If income is available quarterly or otherwise more frequently than annually, payments must be scheduled on such basis. However, if State law only permits principal plus interest (P&I) type bonds, annual or semiannual payments will be used.
 - (2) The payment schedule will be enumerated in the evidence of debt, or if that is not feasible, in a supplemental agreement.
 - (3) If feasible, the first payment will be scheduled one full month, or other period, as appropriate, from the date of loan closing or any deferment period. Due dates falling on the 29th, 30th, and 31st day of the month will be avoided. When principal payments are deferred, interest-only payments will be scheduled at least annually.
- (f) **Extra payments.** Extra payments are derived from the sale of basic chattel or real estate security, refund of unused loan funds, cash proceeds of property insurance and similar actions which reduce the value of basic security. At the option of the borrower, regular facility revenue may also be used as extra payments when regular payments are current. Unless otherwise established in the note or bond, extra payments will be applied as follows:
- (1) For loans with amortized debt instruments, extra payments will be applied first to interest accrued to the date of receipt of the payment and second to principal.
 - (2) For loans with debt instruments with P&I installments, the extra payment will be applied to the final unpaid principal installment.
 - (3) For borrowers with more than one loan, the extra payment will be applied to the account secured by the lowest priority of lien on the property from which the extra payments was obtained. Any balance will be applied to other Agency loans secured by the property from which the extra payment was obtained.
 - (4) For assessment bonds, see paragraph (k) of this section.
- (g) The place of payments on bonds purchased by the Agency will be determined by the Agency.
- (h) **Redemptions.** Bonds will normally contain customary redemption provisions. However, no premium will be charged for early redemption on any bonds held by the Government.

(i) Additional revenue bonds. Parity bonds may be issued to complete the project. Otherwise, parity bonds may not be issued unless acceptable documentation is provided establishing that net revenues for the fiscal year following the year in which such bonds are to be issued will be at least 120 percent of the average annual debt serviced requirements on all bonds outstanding, including the newly-issued bonds. For purposes of this section, net revenues are, unless otherwise defined by State statute, gross revenues less essential operation and maintenance expenses. This limitation may be waived or modified by the written consent of bondholders representing 75 percent of the then-outstanding principal indebtedness. Junior and subordinate bonds may be issued in accordance with the loan resolution.

(j) Precautions. The following types of provisions in debt instruments should be avoided:

- (1) Provisions for the holder to manually post each payment to the instrument.
- (2) Provisions for returning the permanent or temporary debt instrument to the borrower in order that it, rather than the Agency, may post the date and amount of each advance or repayment on the instrument.
- (3) Provisions that amend covenants contained in Forms RD 1942-47 or RD 1942-9.
- (4) Defeasance provisions in loan or bond resolutions. When a bond issue is defeased, a new issue is sold which supersedes the contractual provisions of the prior issue, including the refinancing requirement and any lien on revenues. Since defeasance in effect precludes the Agency from requiring refinancing before the final maturity date, it represents a violation of the statutory refinancing requirement; therefore, it is disallowed. No loan documents shall include a provision of defeasance.

(k) Assessment bonds. When security includes special assessment to be collected over the life of the loan, the instrument should address the method of applying any payments made before they are due. It may be desirable for such payments to be distributed over remaining payments due, rather than to be applied in accordance with normal procedures governing extra payments, so that the account does not become delinquent.

(l) Multiple debt instruments. The following will be adhered to when preparing debt instruments:

- (1) When more than one loan type is used in financing a project, each type of loan will be evidenced by a separate debt instrument or series of debt instruments;
- (2) Loans obligated in different fiscal years and those obligated with different terms in the same fiscal year will be evidenced by separate debt instruments;
- (3) Loans obligated for the same loan type in the same fiscal year with the same term may be combined in the same debt instrument;
- (4) Loans obligated in the same fiscal year with different interest rates that will be closed at the same interest rate may be combined in the same debt instrument.

§1780.95 Public bidding on bonds.

Bonds offered for public sale shall be offered in accordance with State law and in such a manner to encourage public bidding. The Agency will not submit a bid at the advertised sale unless required by State law, nor will reference to Agency's rates and terms be included. If no acceptable bid is received, the Agency will negotiate the purchase of the bonds.

§§1780.96 - 1780.100 [Reserved]

CITY OF RAVENSWOOD

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

I, the undersigned duly authorized representative of WesBanco Bank, Inc., Ravenswood, West Virginia (the "Bank"), hereby certify that on June 7, 2012, the Bank received an automated clearinghouse transfer in the amount of \$1,334,604 for the Series 2012 A Bonds to the credit of the RD Sewer Project Account (Account Number 832011266).

WITNESS my signature on this 7th day of June, 2012.

WESBANCO BANK, INC.

By: Rayna O'Dell
Its: Authorized Officer

735860.00008

5944228

CITY OF RAVENSWOOD

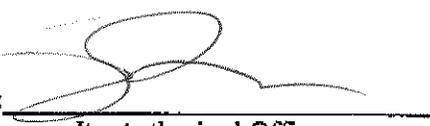
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

RECEIPT AND RELEASE

West Virginia Municipal Bond Commission, as Paying Agent of the City of Ravenswood's Sewerage System Bond Anticipation Notes, Series 2006, dated September 22, 2006, issued in the original aggregate principal amount of \$1,444,000 (the "Prior Notes") hereby certifies that it has received the sum of \$1,312,604 from the City of Ravenswood and that such sum, together with the balance of the Prior Notes Sinking Fund in the amount of \$20,495.71, is sufficient to pay the entire principal amount of and interest accrued on the Prior Notes, including fees, to the date hereof and discharge the liens, pledges and encumbrances securing the Prior Notes.

Dated this 7th day of June, 2012.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: 

Its: Authorized Officer

735860.00008

5944221



CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **June 7, 2012**

Re: **City of Ravenswood**
 Sewer Revenue Bonds, Series 2012 A
 (United States Department of Agriculture)

DISBURSEMENTS TO CITY'S ACCOUNT:

Payor: United States Department of Agriculture
Source: Series 2012 A Bonds Proceeds
Amount: \$1,334,604.00
Form: ACH
Payee: City of Ravenswood
 212 Walnut Street, Ravenswood, West Virginia 26164
Bank: WesBanco Bank, Inc., 1 Bank Plaza, Wheeling, West Virginia 26003
Routing #: 043400036
Account #: 832011266
Contact: 304-273-9351
Account: City of Ravenswood RD Sewer Project

DISBURSEMENTS FROM CITY'S ACCOUNT

- A. Payor: City of Ravenswood
 Amount: \$1,312,604.00
 Form: Wire
 Bank: BB&T, 250 East Second Ave, Williamson, WV 25661
 For the benefit of: Municipal Bond Commission,
 1207 Quarrier Street, Suite 401, Charleston, WV 25301
 Contact: Sara Boardman, 304.558.3971
 Acct. No.: 5270517317
 ABA: 051503394
 Account: Pay Series 2006 Bond Anticipation Notes
- B. Checks
1. Steve Cogar \$ 1,000.00
 2. Phil Postalwaite \$ 1,000.00
 3. Steptoe & Johnson \$ 20,000.00

CITY OF RAVENSWOOD

RESOLUTION OF THE CITY OF RAVENSWOOD APPROVING INVOICES RELATING TO PAYOFF OF SERIES 2006 SEWER BOND ANTICIPATION NOTE AND COSTS THEREOF,

WHEREAS, the City of Ravenswood has reviewed the invoices attached hereto and incorporated herein by reference relation to the payoff of the series 2006 Sewer BAN funded by the United States Department of Agriculture (USDA) and find as follows:

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
- c) That each of such costs has been otherwise properly incurred.
- d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED the City of Ravenswood by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	USDA Loan	Series 2006 BAN Sinking Fund
Cogar (legal)	1,000.00	1,000.00	0.00
Postalwaite (accounting)	1,000.00	1,000.00	0.00
Steptoe & Johnson (Bond counsel)	20,000.00	20,000.00	0.00
Municipal Bond Commission (Payoff)	1,333,099.71	1,312,604.00	20,495.71
Total	1,355,099.71	1,334,604.00	20,495.71

ADOPTED BY the City of Ravenswood, at the meeting held on the 15th day of May, 2012.

By: 
Its: Mayor

**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 8th day of June, 2006.

CASE NO. 06-0257-S-ECN

CITY OF RAVENSWOOD, a municipal utility,
Ravenswood, Jackson County.

Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewer systems and for approval of the financing thereof.

COMMISSION ORDER

The Commission grants a certificate for a sewer extension project.

FINDINGS OF FACT

1. On March 1, 2006, the City of Ravenswood and its Sanitary Board applied for a certificate of convenience and necessity to extend and improve its sewer system. The project cost was estimated not to exceed \$2 million, and Ravenswood proposed to fund it as follows:

WV Housing Development Fund loan, 3%, 6 years	\$2,000,000
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To establish need, Ravenswood advised that it annexed 405 acres known as Jackson Crossing along Route 2 in 2002. The area is designated for commercial, light industrial and residential development, but Jackson Crossing does not have sewer service. In addition, Silverton Public Service District plans to construct sewer improvements to serve Silverton, Nuzums, Varner, Eastwood and Silver Hills. KS of West Virginia is an industrial customer at Eastwood. Application p. 2. Ravenswood will treat wastewater flows¹ from Silverton PSD and provide the facilities necessary to bring the flows from Silverton PSD through Jackson Crossing. Id. "To avoid the need to construct overlapping wastewater conveyance force mains and lift stations for both Jackson Crossing and Silverton, the construction of a single

¹ On November 17, 2005, Ravenswood was granted a certificate to improve its wastewater treatment plant in Case Number 05-1339-S-ECN.

conveyance system to the Ravenswood [wastewater treatment plant] is proposed," Ravenswood wrote. Id.

2. The project was granted emergency status by the West Virginia Infrastructure & Jobs Development Council. Application p. 2 & Ex. C; Ravenswood ltr. p. 1 (Mar. 1, 2006).

3. Ravenswood plans to charge its current rates. Application pp. 3-6.

4. On March 1, 2006, the Commission required Ravenswood to publish notice of the certificate application one time in Jackson County. That notice advised that protests should be filed within 30 days of publication, and that if no protests were filed the Commission could waive formal hearing and grant the application based upon the information contained in the file. Notice of Filing order pp. 1-2.

5. Notice was published in *The Jackson Star News* on March 9, 2006. See Affidavit of Publication (Mar. 30, 2006).

6. The protest period expired on April 8, 2006, and no protests were filed within that period, or to date.

7. On April 21, 2006, Staff recommended that the certificate be granted. Final Joint Staff Memorandum p. 1. In addition to Technical Staff's conditions, Legal Staff recommended that Ravenswood be ordered to comply with all applicable Department of Highways rules. Id. & Final Internal Memorandum (attached to Final Joint Staff Memorandum).

8. Technical Staff advised that the project will consist of 3,600 linear feet of 8" gravity sewer main, 9,600 feet of 8" force sewer main, one lift station with odor control facilities, an emergency generator, and all necessary manholes and other appurtenances. Final Internal Memorandum p. 1, attached to Final Joint Staff Memorandum (Apr. 21, 2006). Overall annual operation and maintenance expenses are expected to increase by \$11,119 due to this collection system extension project, Staff advised. Id. p. 3. Engineering Staff advised that the project will replace several failing individual sewage systems and two package plants. Id. Due to the uncertain time line for Jackson Crossing's development and the completion of Silverton PSD's project, the collection system will initially serve KS of West Virginia and the Eastwood Elementary School. Id. p. 4. The project could potentially serve 697 equivalent dwelling units, Staff wrote. Id. The cost per equivalent customer is \$2,869, which Staff advised was acceptable. Engineering fees as a percentage of construction cost are about 26%, which Staff views as very high. Id. The project engineer explained that the

engineering fees are higher than normal because the fees cover not only preliminary design, final design and engineering during construction, but also coordination meetings with Silverton PSD and KS of West Virginia, responding expeditiously to requests for information for project funding, an aggressive design schedule and preliminary coordination with the developer, Staff wrote. Id. Staff advised that the area surrounding Ravenswood is projected to have significant economic growth in the near future. Id. Further, Staff advised that the plans and specifications and services provided by the project are in general conformance with the Commission's rules and regulations.

9. Water and Wastewater Staff advised that Ravenswood will finance the project with a Bond Anticipation Note (BAN), with interest only payments for six years, being about \$55,776 annually. Final Internal Memorandum p. 5, attached to Final Joint Staff Memorandum (Apr. 21, 2006). Staff also advised that Ravenswood has applied to the Rural Utilities Service for long-term project financing, which will likely be a loan requiring an annual payment of approximately double the proposed BAN annual interest payment. Id. "While the project will provide the availability of sewer service to the Jackson Crossing development and to the District, if sufficient development does not occur upon the expiration of the BAN, [Ravenswood] will most likely need another rate increase to support the long term financing plans," Staff wrote. "[Ravenswood] must notify this Commission once the long term financing is arranged." Id.

10. Water and Wastewater Staff also noted that, although KS of West Virginia and Eastwood Elementary School have agreed that they will connect, Ravenswood does not have signed user agreements and these customers are in Silverton PSD's service territory. Final Internal Memorandum p. 6, attached to Final Joint Staff Memorandum. "[Silverton PSD] does not currently operate a sewer system and the parties have yet to determine how the customers will be billed," Staff wrote. Id. "If the customers are indeed to become customers of [Silverton PSD], [Silverton PSD] must seek Commission approval prior to beginning its sewer operations through a Certificate of Convenience and Necessity case. Any billing agreement or service contract between the two utilities will also require Commission approval. [Ravenswood] has indicated that the billing issue will be addressed soon, since [Ravenswood] has started the readings on a rate ordinance for the sewer operations. When the revised rates are implemented, [Ravenswood] will then prepare a contract," Staff wrote. Id.

11. Staff advised that Ravenswood's Tariff Rule 42 financial exhibit was based on the fiscal year ending June 30, 2004, and contained pro forma adjustments for this sewer collection system extension and the sewer plant upgrade approved in Case Number 05-1339-S-ECN. Final Internal Memorandum p. 6, attached to Final Joint Staff Memorandum (Apr. 21, 2006). Staff adjusted Ravenswood's cash flow to be based on the fiscal year ending

June 30, 2005, and changed the adjustments for the sewer plant upgrade from pro forma to going level since the plant upgrade has already been approved. When the additional debt service for the collection system is factored in, Ravenswood has a pro forma annual surplus of \$9,691 and a debt service coverage factor of 116%. "The City's current rates are sufficient to cover the increased debt service and O&M expenses," Staff wrote. Id.

12. Accordingly, Staff recommended that 1) the certificate be granted, 2) the funding be approved, 3) if there is any change in the plans or scope where a change in costs affects rates, Ravenswood should be required to reopen this case to request approval of the changes, 4) if there is a change in the project cost that does not affect rates, Ravenswood should not be required to reopen the case for further Commission approval, but should be required to file an affidavit from its certified public accountant verifying that rates are not affected, 5) Ravenswood be required to file a copy of the bid tabulation with the Commission, and 6) the project engineer be required to submit a copy of the certificate of substantial completion when it is available. Final Internal Memorandum p. 7, attached to Final Joint Staff Memorandum (Apr. 21, 2006).

13. On May 8, 2006, Ravenswood advised that it agreed with Staff's recommendations and asked that a decision be entered without a hearing.

14. Also on May 8, 2006, Ravenswood filed a Letter of Conditions from the United States Department of Agriculture, Rural Utilities Service to supplement its application. The RUS letter evidences a \$2,000,000 loan, to be repaid over 40 years, with payments during the first 24 months consisting of interest only. For planning purposes, RUS advised Ravenswood to use a 4.375% interest rate and a monthly payment of \$9,020.

15. On May 31, 2006, Ravenswood clarified the timing of the debt service implementation for this project, explaining that Ravenswood will immediately issue a \$2 million BAN to the West Virginia Housing Development Fund to finance the project for about six years. Ltr. p. 1. Either prior to, or upon, the maturity of the BAN, Ravenswood said it would issue bonds to the United States Department of Agriculture, Rural Utilities Service in an amount sufficient to pay the principal of the BAN and the issuance costs of the RUS bonds. Simultaneously with the issuance of the RUS bonds, the proceeds will be paid to the BAN holder.

16. Ravenswood said that it never intended that the debt service on the RUS Bonds would be payable from its existing rates, based on the current customer count. Ravenswood hopes that, as a result of the provision of sewer service in the project area, growth will occur, both within Northern Jackson Public Service District and within Ravenswood's boundaries, sufficient to allow Ravenswood's existing rates to pay the debt service on the RUS Bonds,

when issued. If sufficient growth does not occur, though, Ravenswood said it will have to raise financing. Should the Commission so desire, Ravenswood is willing to agree to reopen this proceeding prior to the issuance of the RUS Bonds to advise the Commission of the status of the project and the financing.

CONCLUSIONS OF LAW

1. The Infrastructure Council has designated this an emergency project. Therefore, pursuant to W. Va. Code § 31-15A-8(b), the Commission must issue its final decision within 120 days of the filing date, or by June 29, 2006.

2. W. Va. Code § 24-2-11 provides, in pertinent part, as follows:

(a) No public utility . . . shall begin the construction of any plant . . . for furnishing to the public any [utility] service . . . unless and until it shall obtain from the public service commission a certificate of convenience and necessity requiring such construction . . . Upon the filing of any application for such certificate, and after hearing, the commission may, in its discretion, issue or refuse to issue, or issue in part and refuse in part, such certificate of convenience and necessity: Provided, That the commission, after it gives proper notice and if no protest is received within thirty (30) days after the notice is given, may waive formal hearing on the application.

Ravenswood published notice of its certificate application on March 9, 2006, and no protests were filed as a result of that publication. Accordingly, as authorized by the statute, the Commission shall waive formal hearing on Ravenswood's application.

3. In considering a certificate application, the Commission must assess whether the general public convenience will be served and the public necessity for the project. Sexton v. Public Serv. Comm'n, 423 S.E.2d 914 (W. Va. 1992). Sewer service is needed for the Jackson Crossing development. Further, flows from Silverton PSD must be transported to Ravenswood for treatment, and this project will facilitate that transportation. Final Internal Memorandum p. 5, attached to Final Joint Staff Memorandum. Moreover, the proposed project will allow for the elimination of sewage package plants at KS of West Virginia and the Eastwood Elementary School. For these reasons, the Commission concludes that the public convenience and necessity will be served by Ravenswood's proposed project.

4. The Commission also considers whether a project is feasible and adequately financed. This project initially will serve two customers, but it could potentially serve 697 equivalent dwelling units. Staff advised that the \$2,869 cost per equivalent customer is

acceptable. Engineering fees as a percentage of construction cost are very high at about 26%, Staff advises, but the project engineer explained that the fees cover not only preliminary design, final design and engineering during construction, but also coordination meetings with Silverton PSD and KS of West Virginia, responding expeditiously to requests for information for project funding, an aggressive design schedule and preliminary coordination with the developer. Under these circumstances, we agree with Staff and find the project feasible.

5. With the application, Ravenswood advised that it would finance the project for about six years with a Bond Anticipation Note, with interest only payments being about \$55,776 annually, and it would apply to the Rural Utilities Service for long-term project financing, which likely would double the annual interest payment. On May 8, 2006, Ravenswood filed an RUS Letter of Conditions for a \$2,000,000 loan, to be repaid over 40 years, with payments during the first 24 months consisting of interest only. For planning purposes, RUS advised Ravenswood to use a 4.375% interest rate and a monthly payment of \$9,020. Staff advises that Ravenswood's current rates will support the BAN's annual interest payments for the next six years. However, if sufficient development does not occur within six years, Staff advises that Ravenswood will most likely need a rate increase to support the long-term financing plans, and we agree with Staff. The Commission notes that Ravenswood has agreed to reopen this case and advise the Commission of the project status and financing prior to the issuance of the RUS bonds. Since Ravenswood has sufficient rates in place to support the short-term financing, since Ravenswood has been made aware that a rate increase could be necessary if sufficient development does not occur in the near future, and since Ravenswood is willing to reopen this project for Commission review of the project status and financing prior to the issuance of the RUS bonds, we agree with Staff that the financing terms are reasonable for this emergency project.

6. Staff recommended that 1) the certificate be granted, 2) the funding be approved, 3) if there is any change in the plans or scope where a change in costs affects rates, Ravenswood should be required to reopen this case to request approval of the changes, 4) if there is a change in the project cost that does not affect rates, Ravenswood should not be required to reopen the case for further Commission approval, but should be required to file an affidavit from its certified public accountant verifying that rates are not affected, 5) Ravenswood be required to file a copy of the bid tabulation with the Commission, and 6) the project engineer be required to submit a copy of the certificate of substantial completion when it is available. In addition to Technical Staff's conditions, Legal Staff recommended that Ravenswood be ordered to comply with all applicable Department of Highways rules. The Commission agrees with Staff's recommendations.

7. Having found that the public convenience and necessity requires the project, that the project is feasible and that the proposed funding is reasonable, the Commission

should grant Ravenswood a certificate, as conditioned by Staff, for this project, as is more fully described in the application.

ORDER

IT IS THEREFORE ORDERED that, as authorized by W. Va. Code § 24-2-11, the Commission waives formal hearing on Ravenswood's application.

IT IS FURTHER ORDERED that, pursuant to W. Va. Code § 24-2-11, the Commission grants Ravenswood a certificate of public convenience and necessity for this project, as is more fully described in the application.

IT IS FURTHER ORDERED that the Commission approves the following short-term funding for this project:

WV Housing Development Fund loan	\$2,000,000
(Bond Anticipation Note), 3%, 6 years	

IT IS FURTHER ORDERED that the Commission recognizes that Ravenswood has secured the following long-term funding for this project:

USDA, Rural Utilities Service loan, 40 years,	\$2,000,000
4.375%, 1 st 24 mos. interest only	

Whether Ravenswood is able to pay the debt service on these RUS bonds from existing rates depends upon whether sufficient growth occurs. If not, Ravenswood will have to raise financing to pay the debt service. Ravenswood is willing to reopen this proceeding prior to the issuance of the RUS Bonds to advise the Commission of the status of the project and the financing, and the Commission requires Ravenswood to do so.

IT IS FURTHER ORDERED that if there are changes in the plans, scope, or terms of financing which affect rates, 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, Ravenswood need not petition to reopen this case for further Commission approval. Instead, Ravenswood must file an affidavit from its certified public accountant verifying that rates are not affected.

IT IS FURTHER ORDERED that Ravenswood must file with the Commission a certified Bid Tabulation within 30 days after bid opening for all construction contracts awarded on this project. Ravenswood must also file a copy of the Certificate of Substantial Completion for each contract, within 30 days of the issuance of the certificate.

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

IT IS FURTHER ORDERED that, before serving customers in Silvertown PSD's service territory, Ravenswood must obtain signed user agreements, which include a statement by Silvertown PSD which acknowledges Ravenswood's provision of service.

IT IS FURTHER ORDERED that any billing agreement or service contract between Silvertown PSD and Ravenswood must be submitted to the Commission, in a separate case, for its review and consent.

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

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

CLW/sck
060257c.wpd

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

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON
notice of CASE NO. 06-0257-S-ECN

was duly published in said newspaper once a week for 1 successive weeks, commencing

with the issue of the 9th day of March 2006

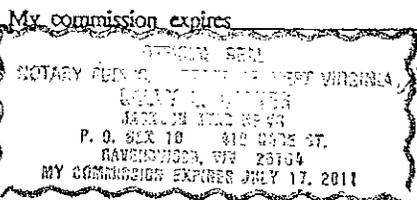
and ending with the issue of the 9th day of March 2006 (and

was posted at the _____

on the _____ day of _____, 20____).

1st Gregory S. Matics
Gregory S. Matics, Publisher
The Jackson Star News

Take, subscribed and sworn to before me in my said county this 20th
day of March, 2006.



July 17, 2011
1st Sally L. Carter
Notary Public of Jackson County,
West Virginia

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 1st day of March, 2006.
CASE NO: 06-0257-S-ECN
CITY OF RAVENSWOOD,
Jackson County, West Virginia

Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing sewer system and for approval of the financing thereof

NOTICE OF FILING

WHEREAS, on March 1, 2006, the City of Ravenswood, filed an application, duly verified, for a Certificate to construct certain additions and improvements to its existing water system in Jackson County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston West Virginia.

WHEREAS, the total estimated cost of the Project is not to exceed Two Million Dollars (\$2,000,000). The Project will be financed by a loan from the West Virginia Housing Development Fund in the amount of not more than Two Million Dollars (\$2,000,000) at three percent (3%) interest for six (6) years.

WHEREAS, The City's rates will not be increased for this project. The existing rate contained in the City's tariff are as follows:

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial sanitary sewer service

First	2,000	gallons used month	\$5.55 per 1,000 gallons
Next	10,000	gallons used month	\$4.77 per 1,000 gallons
Over	12,000	gallons used month	\$2.94 per 1,000 gallons

MINIMUM BILL

\$11.10 per month (based upon 2,000 gallons)

FLAT RATE (for unmetered customers)

Residential \$23.05 per month

Commercial \$67.54 per month

DELAYED PAYMENT PENALTY

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

TAP FEE

A charge of \$350.00 shall be made for each new connection to the sewer system after the effective date hereof.

LEAK ADJUSTMENT RATE

An incremental charge of \$0.18 per M gallons shall be charged for all water billed in excess of the customer's historic usage.

INDUSTRIAL SERVICE

The charge for the treatment of industrial waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci = charge to industrial users per year

Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi = volume of waste water from industrial users, in gallons per year

Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound

Bi = weight of BOD from industrial users, in pounds per year

So = average unit cost of treatment (including sludge treatment) chargeable to total solids, in dollars per pound

Si = weight of total solids from industrial users, in pounds per year

When an industrial user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing material which, in judgment of the Sanitary Board, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge thereof, based upon the formula set out above.

Thereafter, industrial sewage will be monitored on a regular basis and at the conclu


**United States Department of Agriculture
Rural Development
West Virginia State Office**

June 7, 2012

CITY OF RAVENSWOOD

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Prior Bonds, hereinafter defined and described, hereby (a) consents to the issuance of the Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), in the original aggregate principal amount of \$1,334,604 (the "Bonds"), by the City of Ravenswood (the "Issuer"), under the terms of the bond ordinance authorizing the issuance of the Bonds (the "Ordinance"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding: (i) Sewer Revenue Bonds, Series 2006 A, dated June 19, 2006, issued in the original aggregate principal amount of \$2,844,000 (the "Series 2006 A Bonds"); and (ii) Sewer Revenue Bonds, Series 2006 B, dated June 19, 2006, issued in the original aggregate principal amount of \$1,356,000 (the "Series 2006 B Bonds"), (collectively, the "Prior Bonds").

WITNESSETH my signature on this 7th day of June, 2012.



State Director

1550 Earl Core Road, Suite 101, Morgantown, WV 26505
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CITY OF RAVENSWOOD
SEWER REVENUE BONDS, SERIES 2002

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF RAVENSWOOD AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF RAVENSWOOD OF NOT MORE THAN THREE HUNDRED TWENTY THOUSAND DOLLARS (\$320,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF RAVENSWOOD SEWER REVENUE BONDS, SERIES 2002; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ENACTED AND ORDAINED 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 order, ordinance or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act") and other applicable provisions of law.

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

A. 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 sewerage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments and improvements to the Issuer's existing public sewerage facilities which are more particularly described in Exhibit A hereto (collectively, the "Project") (the Issuer's existing sewerage facilities, the Project and any further additions thereto or extensions thereof are herein called the "System") in accordance with the plans and specifications prepared by the Consulting Engineers (hereinafter defined), which plans and specifications have heretofore been filed with the Issuer.

C. The acquisition and construction of the System was financed in part with the proceeds from \$315,000 in principal amount of the Issuer's Sewer Revenue Bonds, Series 1991 (the "Prior Bonds"), issued on December 19, 1991, authorized pursuant to a Bond Ordinance enacted by the Issuer on October 1, 1991, as supplemented and amended (the "Prior Bonds Ordinance").

D. The Issuer derives revenues from the System, and, except for the pledges thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner.

E. The estimated maximum cost of the construction and acquisition of the Project and issuance of the Series 2002 Bonds, as hereinafter defined, is \$320,000, which will be permanently financed with the proceeds of the Issuer's Sewer Revenue Bonds, Series 2002 (the "Series 2002 Bonds") herein authorized.

F. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Series 2002 Bonds and the Prior Bonds, and all sinking funds, reserve accounts and other payments provided for herein and in the Prior Bonds Ordinance.

G. It is further deemed necessary for the Issuer to issue the Series 2002 Bonds, in the total aggregate principal amount of not more than \$320,000, to permanently

finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2002 Bonds prior to and during construction and acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2002 Bonds Reserve Account, as hereinafter defined; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Original Purchaser (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2002 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 2002 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

H. The period of usefulness of the System after completion of the Project is not less than 25 years.

I. It is in the best interest of the Issuer that its Series 2002 Bonds be issued and sold to the Original Purchaser (as hereinafter defined) to be designated in the Supplemental Resolution to be adopted prior to the issuance of the Series 2002 Bonds.

J. The Issuer has met the requirements of the Prior Bonds Ordinance for the issuance of the Series 2002 Bonds on a parity with the Prior Bonds. Prior to the issuance of the Series 2002 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the parity test of the Prior Bonds Ordinance have been met and (ii) the written consents from the Holder of the Prior Bonds to the issuance of the Series 2002 Bonds on a parity with the lien of the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or other obligations of the Issuer which are secured by revenues or assets of the System.

K. The Series 2002 Bonds shall be issued with a lien on the Net Revenues, as hereinafter defined, on a parity with the lien held by the Holders of the Prior Bonds.

L. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the System, and issuance of the Series 2002 Bonds or will have so complied prior to issuance of any thereof, including, among other things, if required, the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which has expired prior to the issuance of the Series 2002 Bonds or has been waived by all necessary parties.

M. The Sanitary Board of the Issuer has presented a petition to the Issuer for enactment of this Bond Legislation.

N. To establish that the Issuer is exempt from the arbitrage rebate requirements of Section 148(f) of the Code with respect to the Series 2002 Bonds, the Issuer hereby represents that it recognizes the provisions of Section 148(f)(4)(D) of the Code which except issues of obligations by certain "small governmental units" from certain arbitrage rebate requirements imposed by Section 148(f) of the Code. For purposes of establishing that the Issuer is a "small governmental unit" for the purposes and within the meaning of Section 148(f)(4)(D) of the Code, the Issuer represents and warrants that (A) it is a governmental unit with general taxing powers, (B) the Series 2002 Bonds do not constitute a "private activity bond" (as defined in Section 141 of the Code), (C) 100% of the net proceeds of the Series 2002 Bonds are to be used for local governmental activities of the Issuer within the meaning of Section 148(f)(4)(D)(i)(III) of the Code, and (D) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the Issuer and subordinate entities of the Issuer during the calendar year of issuance of the Series 2002 Bonds is not reasonably expected to exceed \$5,000,000.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2002 Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds, as the case may be, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authorized Officer" means the Mayor or any acting Mayor duly appointed as such by the Governing Body.

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

"Bond Legislation," "Ordinance," "Bond 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.

“Bond Year” means the 12 month period beginning on December 1 in each year and ending on November 30 in the following year except that the first Bond Year shall begin on the Closing Date and end on November 30, 2003.

“Bonds” means, collectively, the Prior Bonds, the Series 2002 Bonds and, where appropriate, any Bonds on a parity therewith authorized to be issued hereunder or by another ordinance of the Issuer.

“Certificate of Authentication and Registration” means the certificate of authentication and registration on the Series 2002 Bonds in substantially the form set forth in the bond form contained herein.

“Closing Date” means the date upon which there is an exchange of the Series 2002 Bonds for an advance of more than a de minimis amount of the principal of the Series 2002 Bonds from the Original Purchaser.

“Code” means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

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

“Completion Date” means the completion date of the Project.

“Consulting Engineers” means Burgess and Niple, Limited, or any professional engineer or firm of professional engineers, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained 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.

“Costs” or “Costs of the Project” means those costs described in Section 1.02 G hereof to be a part of the cost of acquisition and construction of the Project.

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

“Event of Default” means any occurrence or event specified in Section 9.01.

“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 Common 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, including without limitation (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

“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 Section 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” shall mean any public accountant or certified public accountant or firm of public accountants or 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” shall mean any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

“Issuer” means 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, the Sanitary Board and any other commission, board or department established by the Issuer to operate and maintain the System.

“Mayor” means the Mayor of the Issuer.

“Net Proceeds” means the face amount of the Series 2002 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2002 Bonds Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2002 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

“Nonpurpose Investment” means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 2002 Bonds and is not acquired in order to carry out the governmental purpose of the Series 2002 Bonds.

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

“Original Purchaser” means the bank or other person or entity designated as the Original Purchaser of the Series 2002 Bonds in the Supplemental Resolution and, where appropriate, any successor to such Original Purchaser as the Registered Owner of the Series 2002 Bonds.

“Outstanding,” when used with reference to Bonds as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder 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 and (iv) for purposes of consents or other action by a specified percentage of Bondholders, Bonds registered to the Issuer.

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

"Paying Agent" means the West Virginia Municipal Bond Commission, or such entity or authority as may be designated by the Issuer with the consent of the Original Purchaser.

"Prior Bonds" means the Issuer's Sewer Revenue Bonds, Series 1991, dated December 19, 1991, issued in the original principal amount of \$315,000.

"Prior Bonds Ordinance" means the Bonds Ordinance enacted by the Issuer on October 1, 1991, authorizing the issuance of the Series 1991 Bonds, as supplemented and amended.

"Prior Bonds Reserve Account" or "Series 1991 Bonds Reserve Account" means the Reserve Account established for the Prior Bonds in the Prior Bonds Ordinance.

"Prior Bonds Sinking Fund" or "Series 1991 Bonds Sinking Fund" means the Sinking Fund established for the Prior Bonds in the Prior Bonds Ordinance.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Project" means the project described in Exhibit A attached hereto, constituting additions, betterments and improvements to the existing sewerage system of the Issuer.

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

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

E. Money market funds or similar funds whose only assets are investments of the type described in paragraphs (A) through (D) above;

F. Repurchase agreements, fully secured by investments of the types described in paragraphs (A) through (D) 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;

G. The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

H. Obligations of States or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, 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, the person in whose name such Bond is registered.

"Registrar" means the Bond Registrar.

"Regulations" means the 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 Bonds Ordinance and continued by Section 5.01 hereof.

"Reserve Accounts" means, collectively, the Prior Bonds Reserve Account and the Series 2002 Bonds Reserve Account.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in the Reserve Accounts for the Bonds.

“Revenue Fund” means the Revenue Fund established by the Prior Bonds Ordinance and continued by Section 5.01 hereof.

“Sanitary Board” means the Sanitary Board of the Issuer heretofore established by an ordinance duly enacted by the Issuer and any successor to the functions thereof.

“Series 2002 Bonds” means the not more than \$320,000 in aggregate principal amount of Sewer Revenue Bonds, Series 2002, of the Issuer, authorized by this Ordinance.

“Series 2002 Bonds Construction Trust Fund” means the Series 2002 Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2002 Bonds Reserve Account” means the Series 2002 Bonds Reserve Account established in the Series 2002 Bonds Sinking Fund pursuant to Section 5.02 hereof.

“Series 2002 Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2002 Bonds in the then concurrent or any succeeding year.

“Series 2002 Bonds Sinking Fund” means the Series 2002 Bonds Sinking Fund established by Section 5.02 hereof.

“Sinking Funds” means, collectively, the Prior Bonds Sinking Fund and the Series 2002 Bonds Sinking Fund.

“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 2002 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2002 Bonds and not so included may be included in another Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, as further defined in Section 5.03(C) hereof.

“System” means the complete properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, in its entirety or any integral part thereof, of the Issuer, and any improvements or extensions thereof, both within and without said Issuer.

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

"Yield" means the definition given that term in Section 148(h) of the Code.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

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.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of \$320,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2002 Bonds hereby authorized shall be applied as provided in Article VI hereof.

The Issuer has received bids or entered into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Original Purchaser. The Issuer has entered into a contract or contracts for the acquisition and construction of the Project prior to the issuance of the Series 2002 Bonds or will do so within thirty (30) days after the issuance of the Series 2002 Bonds.

The cost of the Project is estimated not to exceed \$320,000, which is to be paid from the proceeds of the Series 2002 Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2002 Bonds, funding a reserve account for the Series 2002 Bonds, paying Costs of the Project not otherwise provided for, and paying certain costs of issuance of the Series 2002 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 negotiable Series 2002 Bonds of the Issuer, in an aggregate principal amount of not more than \$320,000. The Series 2002 Bonds shall be issued as a single bond, to be designated "Sewer Revenue Bonds, Series 2002," in the aggregate principal amount of not more than \$320,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2002 Bonds remaining after the funding of the Series 2002 Bonds Reserve Account (if funded from the Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2002 Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2002 Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable monthly on the first day of each month; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution. The Series 2002 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2002 Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Original Purchaser is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2002 Bonds shall be issued in the form of a single bond, fully registered to the Original Purchaser, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2002 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2002 Bonds shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Original Purchaser 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 or by a separate bond ordinance. The Bonds shall be dated as of the date specified in a Supplemental Resolution or separate bond

ordinance and shall bear interest, if any, as provided in such Supplemental Resolution or separate bond ordinance.

Section 3.03. Execution of Bonds. The Series 2002 Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed any of the Series 2002 Bonds shall cease to be such officer of the Issuer before the Series 2002 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2002 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 2002 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2002 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2002 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Series 2002 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 Bond shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2002 Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain the books for the registration and transfer of the Series 2002 Bonds.

The registered Series 2002 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2002 Bonds or transferring the registered Series 2002 Bonds is exercised, Series 2002 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2002 Bonds surrendered in any such

exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2002 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2002 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2002 Bonds or, in the case of any proposed redemption of Series 2002 Bonds, next preceding the date of the selection of Series 2002 Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2002 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2002 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 and amounts, if any, in the Series 2002 Bonds Reserve Account. No holder or holders of any of the Series 2002 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2002 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues, Lien Positions With Respect to Prior Bonds. The payment of the debt service of all the Series 2002 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 2002 Bonds and to make the payments into the Sinking Funds and the Reserve Accounts therein, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 2002 Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2002 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2002 Bonds to the original purchasers upon receipt of the documents set forth below:

A. A list of the name or names in which the Series 2002 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 2002 Bonds to the original purchasers;

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

D. The approving opinion of bond counsel on the Series 2002 Bonds.

Section 3.10. Form of Series 2002 Bonds. The text of the Series 2002 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

Form of Series 2002 Bond

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
SEWER REVENUE BOND, SERIES 2002

No. R-_____

\$_____

KNOW ALL MEN BY THESE PRESENTS: That 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 "Registered Owner") 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, together with interest thereon at the rate of ___% per annum, in monthly installments on the first day of each month, commencing on _____, 200_ (each an "Interest Payment Date"), as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. Interest shall accrue only on the amount of each advance from its actual date as listed on said Record of Advances and shall cease to accrue on the amount outstanding, or portions thereof, as the same is paid.

Interest accruing on this Bond on and prior to the maturity date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable record date (the 15th day of the month preceding the applicable Interest Payment Date, whether such date is a business day or not) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Interest Payment Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in Charleston, West Virginia. In lieu of surrendering this Bond upon the payment of a portion of the principal amount hereof, the Registered Owner shall endorse the Bond to indicate the payment of such principal and the Registered Owner shall maintain a grid record thereof, as further described below.

Notwithstanding any provision herein to the contrary, the Registered Owner shall maintain a grid record of the payment of mandatory and optional redemptions of the Bonds,

which record, absent clear and convincing evidence to the contrary, shall be conclusive for all purposes, including registration of exchange and transfer of the Bonds, relative to the determination of the principal amount of the Bonds Outstanding at any time, and maintenance of said grid record shall eliminate the need, absent the request of a holder, to issue and authenticate a new Bonds or Bonds upon the event of mandatory or optional redemption.

This Bond is subject to redemption in whole or in part at any time at the option of the Issuer without premium or other penalty, provided that no partial redemption shall operate to postpone any subsequent installment payment due hereunder.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 200__, and a Supplemental Resolution duly adopted by the Issuer on _____, 200__ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE SEWER REVENUE BONDS, SERIES 1991, OF THE ISSUER, DATED DECEMBER 19, 1991, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$315,000 (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 the Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2002 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2002 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to

leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 2002 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, 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 _____, 200__.

CITY OF RAVENSWOOD

[SEAL]

Mayor

ATTEST:

Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2002 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: _____.

as Registrar

By: _____
Its Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

	Amount	Date		Amount	Date
(1)	\$		(7)	\$	
(2)	\$		(8)	\$	
(3)	\$		(9)	\$	
(4)	\$		(10)	\$	
(5)	\$		(11)	\$	
(6)	\$		(12)	\$	

Total \$ _____

EXHIBIT B
DEBT SERVICE SCHEDULE

(Form of)
ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____

_____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20____.

In the presence of:

Section 3.11. Sale of Series 2002 Bonds. The Series 2002 Bonds shall be sold to the Original Purchaser to be designated in the Supplemental Resolution for the purchase price and upon such other terms and conditions as may be set forth in the Supplemental Resolution.

Section 3.12. Series 2002 Bonds are Issued as Parity Bonds With Respect to Prior Bonds. The Series 2002 Bonds are issued as and shall constitute parity bonds with respect to the Prior Bonds. The Issuer has met the requirements of the Prior Bonds Ordinance for the issuance of the Series 2002 Bonds on a parity with the Prior Bonds and has received the written consent of the Holder of the Prior Bonds to the issuance of the Series 2002 Bonds on a parity with the Prior Bonds.

Section 3.13. Designation of Series 2002 Bonds as "Qualified Tax-Exempt Obligations". The Issuer hereby designates the Series 2002 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2002 Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2002 Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2002.

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 created (or continued if previously established by the Prior Bonds Ordinance) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- A. Revenue or Sewer Revenue Fund (established by the Prior Bonds Ordinance);
 - B. Operation and Maintenance Fund (established by the Prior Bonds Ordinance);
 - C. Renewal and Replacement Fund (created by the Prior Bonds Ordinance);
- and
- D. Series 2002 Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by the Prior Bonds Ordinance) with the Commission:

- A. Series 1991 Bonds Sinking Fund (established by the Prior Bonds Ordinance);
- B. Within the Series 1991 Bonds Sinking Fund, the Series 1991 Bonds Reserve Account (established by the Prior Bonds Ordinance);
- C. Series 2002 Bonds Sinking Fund; and
- D. Within the Series 2002 Bonds Sinking Fund, the Series 2002 Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. 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, transfer from the Revenue Fund to the Operations and Maintenance Fund the amount necessary and sufficient to pay all 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 (i) remit to the Commission the amount required by the Prior Bonds Ordinance for deposit in the Series 1991 Bonds Sinking Fund for payment of interest on the Prior Bonds, and (ii) remit to the Commission for deposit in the Series 2002 Bonds Sinking Fund a sum equal to the amount of interest which will become due on the Series 2002 Bonds on the next interest payment date, provided that subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2002 Bonds Sinking Fund shall be reduced by the amount of any earnings credited to and then on deposit in the Series 2002 Bonds Sinking Fund.

3. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the amount required by the Prior Bonds Ordinance for deposit in the Series 1991 Bonds Sinking Fund for payment of principal of the Prior Bonds; and (ii) remit to the Commission for deposit in the Series 2002 Bonds Sinking Fund, a sum equal to the amount of principal which will mature or be redeemed and become due on the Series 2002 Bonds on the next principal payment date or mandatory redemption date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to and then on deposit in the Series 2002 Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

4. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Depository Bank the amount required by the Prior Bonds Ordinance to be deposited in the Series 1991 Bonds Reserve Account; and (ii) if not fully funded upon the issuance of the Series 2002 Bonds, remit to the Commission for deposit in the Series 2002 Bonds Reserve Account, an amount equal to 1/120th of the Series 2002 Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2002 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 2002 Bonds Reserve Requirement.

5. The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, as previously set forth in the Prior Bonds Ordinance and not in addition thereto, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any reserve account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any of the Reserve Accounts 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 moneys from the Renewal and Replacement Fund.

Moneys in the Series 2002 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2002 Bonds as the same shall become due. Moneys in the Series 2002 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2002 Bonds, as the same shall come due, when other moneys in the Series 2002 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2002 Bonds Sinking Fund and Series 2002 Bonds Reserve Account (if equal to at least the Series 2002 Bonds Reserve Requirement) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2002 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2002 Bonds, and then to the next ensuing principal payment on the Series 2002 Bonds.

Any withdrawals from the Series 2002 Bonds Reserve Account which result in a reduction in the balance of the Series 2002 Bonds Reserve Account to below the Series 2002 Bonds Reserve Requirement shall be subsequently 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 2002 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 account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2002 Bonds Sinking Fund or into the Series 2002 Bonds Reserve Account when the aggregate amount of funds in said Series 2002 Bonds Sinking Fund and Series 2002 Bonds Reserve Account are at least equal to the aggregate principal amount of the Series 2002 Bonds then Outstanding and all interest to accrue until the maturity thereof. Whenever the aggregate amount of funds in said Series 2002 Bonds Sinking Fund and Series 2002 Bonds Reserve Account are sufficient to prepay the Series 2002 Bonds in, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest date and in accordance with the applicable provisions hereof, the Series 2002 Bonds and accrued interest, if any, thereon to such prepayment date.

Principal, interest and reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2002 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2002 Bonds Sinking Fund and the Series 2002 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.

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.

Moneys in the Series 2002 Bonds Sinking Fund and the Series 2002 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2002 Bonds Sinking Fund shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Series 2002 Bonds under the conditions and restrictions set forth herein. The Series 2002 Bonds Reserve Account shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Series 2002 Bonds when the amounts in the Series 2002 Bonds Sinking Fund are not adequate to do so.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2002 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.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds and accounts, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds and accounts 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.

D. 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.

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

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Series 2002 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2002 Bonds, there shall first be deposited with the Commission in the Series 2002 Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2002 Bonds for the period commencing on the date of issuance of the Series 2002 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2002 Bonds, there shall be deposited with the Commission in the Series 2002 Bonds Reserve Account the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2002 Bonds Reserve Account.

C. Next, from the proceeds of the Series 2002 Bonds, there shall first be credited to the Series 2002 Bonds Construction Trust Fund and then paid, any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, together with interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2002 Bonds, such moneys shall be deposited with the Depository Bank in the Series 2002 Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all Costs have been paid, any remaining proceeds of the Series 2002 Bonds shall be used to fund the Series 2002 Bonds Reserve Account, if not funded upon issuance of the Series 2002 Bonds, in an amount not to exceed the Series 2002 Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2002 Bonds be deposited in the Series 2002 Bonds Reserve Account, and if any such proceeds remain after funding the Series 2002 Bonds Reserve Account, the same shall be expended as directed by the Original Purchaser.

F. The Depository Bank shall act as a trustee and fiduciary for the Holder of the Series 2002 Bonds with respect to the Series 2002 Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Series 2002 Bonds Construction Trust Fund set forth in the Bond Legislation. Moneys in the Series 2002 Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 2002 Bonds.

Section 6.02. Disbursements from the Series 2002 Bonds Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Original Purchaser a report listing the specific purposes for which the proceeds of the Series 2002 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2002 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Original Purchaser of the following:

A. A "Payment Requisition Form," in form and substance reasonably acceptable to the Original Purchaser, in substantial compliance with the construction schedule; and

B. 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.

All payments made from the Series 2002 Bonds Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Series 2002 Bonds Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Series 2002 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Series 2002 Bonds Construction Trust Fund to the Series 2002 Bonds Reserve Account, and when fully funded any such remaining moneys shall be expended as directed by the Original Purchaser.

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 2002 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 2002 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Series 2002 Bonds or the interest thereon, if any, is Outstanding and unpaid.

Section 7.02. Series 2002 Bonds not to be Indebtedness of the Issuer. The Series 2002 Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any of the Series 2002 Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Series 2002 Bonds or the interest, if any, thereon.

Section 7.03. Series 2002 Bonds Secured by Pledge of Net Revenues; Lien Positions With Respect to Prior Bonds. The payment of the debt service of the Series 2002 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2002 Bonds and to make the payments into all funds and accounts, and all other payments provided for in the Bond Legislation and the Prior Bonds Ordinance are hereby irrevocably pledged, in the manner provided herein, to such payments as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and have taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth, adopted and approved in the Ordinance enacted by the Issuer on _____.

So long as the Series 2002 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. In the event the schedule of rates and charges initially established for the System in connection with the Series 2002 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of

rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation.

Section 7.05. Sale of the System. So long as the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Bonds Ordinance. Additionally, so long as the Series 2002 Bonds are Outstanding and except as otherwise required by law or with the written consent of the Original Purchaser, 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 Series 2002 Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2002 Bonds, immediately be remitted to the Commission for deposit in the Series 2002 Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2002 Bonds. Any balance remaining after the payment of all the Series 2002 Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property shall be deposited in the Renewal and Replacement Fund. Such payment 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 this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07, so long as any of the Series 2002 Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2002 Bonds. All obligations issued by the Issuer after the issuance of the Series 2002 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 2002 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 at the time of the issuance of such subordinate obligations have been made and are current. Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2002 Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2002 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Original Purchaser 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, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as any of the Prior Bonds are Outstanding, the limitations on the issuance of parity obligations set forth in the Prior Bonds Ordinance shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2002 Bonds pursuant to this Bond Legislation, without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2002 Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of the Bonds, or both such purposes.

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the said Independent Certified Public Accountants on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

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

All Parity Bonds shall mature on the day of the years of maturities, and the interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2002 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2002 Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Bonds Ordinance with respect to the Series 2002 Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 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 Original Purchaser, 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 Original Purchaser such documents and information as it 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 Original Purchaser, 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. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Original Purchaser, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of 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 with respect to said Bonds and the status of all said funds and accounts.

C. The amount of any Bonds or other obligations outstanding.

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

Subject to the terms, conditions and provisions of 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 Original Purchaser, 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 of the Project, the Issuer shall also provide the Original Purchaser, 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 Original Purchaser with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2002 Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on

the Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit, respectively, in the Series 2002 Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2002 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 Bonds, including the Prior Bonds.

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 Original Purchaser within 30 days of adoption thereof. The Issuer, by the unanimous consent and approval of the Governing Body, may amend the budget from time to time during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Original Purchaser within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser 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, any amendments thereto and resolutions be furnished him or her and shall make available such budgets, any amendments thereto 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.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate from the Consulting Engineers 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 Original Purchaser, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Original Purchaser 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 Original Purchaser 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 Original Purchaser 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 so long as the Series 2002 Bonds are Outstanding.

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

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

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

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer

or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. The Issuer will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The Issuer will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Original Purchaser, so long as the Authority is the Owner of the Bonds. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, to protect the interests of the Issuer, the Original Purchaser, the prime contractor and all subcontractors as their interests may appear, during construction of the Project in the full insurable value thereof. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by 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 repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The Issuer shall carry such other insurance as is required by the Original, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the Issuer. The Issuer shall verify such insurance prior to commencement of construction.

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.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with

and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

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

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System, and all approvals for issuance of the Series 2002 Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance With Law. The Issuer shall perform, satisfy and comply with all terms and conditions of the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by state, federal or local bodies having jurisdiction 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 2002 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 2002 Bonds during the term thereof is, under the terms of the Series 2002 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) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2002 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 2002 Bonds during the term thereof is, under the terms of the Series 2002 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 2002 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2002 Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2002 Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2002 Bonds to be directly or indirectly "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 Series 2002 Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2002 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.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys 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 moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the 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 bond 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 if 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 Bonds are Outstanding.

Section 8.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2002 Bonds in such manner and to such extent as may be necessary, so that the Series 2002 Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, 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 2002 Bonds) so that the interest on the Series 2002 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. A. GENERAL COVENANT. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2002 Bonds. In addition, the Issuer

covenants to comply with all Regulations from time to time in effect and applicable to the Series 2002 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

B. CREATION OF FUNDS. In the event it is determined that the Series 2002 Bonds are not exempted from the arbitrage rebate requirements of Section 148(f) of the Code pursuant to Section 8.03(I) below or otherwise, there are hereby created, to be held by the Depository Bank as separate funds distinct from all other funds and accounts held by the Depository Bank under this Ordinance, the Earnings Fund and the Rebate Fund. From and after the time it is determined that the Series 2002 Bonds are not exempted from the arbitrage rebate requirements of Section 148(f) of the Code, all interest earnings and profits on amounts in all funds and accounts established under this Ordinance, other than (i) interest earnings and profits on any funds referenced in Subsection D(5) of this Section if such earnings in any Bond Year are less than \$100,000, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, and (iii) interest earnings and profits on the Rebate Fund shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for deposit in the Earnings Fund. Annually, on the last day of each Bond Year or on the preceding business day in the event that such last day is not a business day, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to be used for the payment of debt service on the next interest payment date and for such purpose, debt service due from the Issuer on such date shall be credited by an amount equal to the amount so transferred.

C. DUTIES OF ISSUER IN GENERAL. The Issuer shall calculate Excess Investment Earnings in accordance with Subsection D and shall assure payment of an amount equal to Excess Investment Earnings to the United States in accordance with Subsection E and F.

D. CALCULATION OF EXCESS INVESTMENT EARNINGS. Within 30 days following the last day of the first Bond Year, the Issuer shall calculate, and shall provide written notice to the Depository Bank of, the Excess Investment Earnings referenced in clause (A) of the definition of Excess Investment Earnings. Thereafter, within 30 days following the last day of each Bond Year and within 30 days following the date of the retirement of the Series 2002 Bonds, the Issuer shall calculate, and shall provide written notice to the Depository Bank of, the amount of Excess Investment Earnings. Said calculations shall be made or caused to be made by the Issuer in accordance with the following:

- (1) Except as provided in (2), in determining the amount described in clause A(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income realized under federal income tax accounting principles (whether or not

the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and (ii) any unrealized gain or loss as of the date of retirement of the Series 2002 Bonds in the event that any Nonpurpose Investment is retained after such date.

- (2) In determining the amount described in clause (A) of the definition of Excess Investment Earnings, Investment Property shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Investment, so that gain or loss on the disposition of such Investment Property shall be computed with reference to such fair market value as its adjusted basis.
- (3) In determining the amount described in clause (A)(ii) of the definition of Excess Investment Earnings, the Yield on the Series 2002 Bonds shall be determined based on the actual Yield of the Series 2002 Bonds during the period between the closing date of the Series 2002 Bonds and the date the computation is made (with adjustments for original issue discount or premium).
- (4) In determining the amount described in clause (B) of the definition of Excess Investment Earnings, all income attributable to the excess described in clause (A) of said definition must be taken into account, whether or not that income exceeds the Yield of the Bond, and no amount may be treated as "negative arbitrage."
- (5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and debt service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account or 1/12th of annual debt service as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than \$100,000.

E. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of

the close of the computation period. Not later than 60 days after the retirement of the Series 2002 Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that there are any amounts remaining in the Rebate Fund following the payment required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required by this Subsection E, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

F. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and that Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

G. MAINTENANCE OF RECORDS. The Issuer shall keep, and retain for a period of six (6) years following the retirement of the Series 2002 Bonds, records of the determinations made pursuant to this Section 8.03.

H. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 8.03, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate.

I. SMALL ISSUER EXEMPTION. In connection with the foregoing, and to establish that the Issuer is exempt from the arbitrage rebate requirements of Section 148(f) of the Code with respect to the Series 2002 Bonds, the Issuer hereby represents that it recognizes the provisions of Section 148(f)(4)(D) of the Code which except issues of obligations by certain "small governmental units" from certain arbitrage rebate requirements imposed by Section 148(f) of the Code. For purposes of establishing that the Issuer is a "small governmental unit" for the purposes and within the meaning of Section 148(f)(4)(D) of the Code, the Issuer represents and warrants that (A) it is a governmental unit with general taxing powers, (B) the Series 2002 Bonds do not constitute a "private activity bond" (as defined in Section 141 of the Code), (C) 100% of the net proceeds of the Series 2002 Bonds are to be used for local governmental activities of the Issuer within the meaning of Section 148(f)(4)(D)(i)(III) of the Code, and (D) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the Issuer and subordinate entities of the Issuer during the calendar year of issuance of the Series

2002 Bonds is not reasonably expected to exceed \$5,000,000. In connection with the issuance of the Series 2002 Bonds, Bond Counsel shall be entitled to rely on the representations in this Section in rendering its opinions. So long as the Series 2002 Bonds are exempted from the arbitrage rebate requirements of Section 148(f) of the Code pursuant to the provisions of Section 148(f)(4)(D) of the Code or otherwise, the Issuer shall not be required to comply with the provisions of B through H above.

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 2002 Bonds:

- A. If default occurs in the due and punctual payment of the principal of or interest on the Series 2002 Bonds; or
- B. If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2002 Bonds, set forth in this Bond Legislation, any supplemental resolution or in the Series 2002 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or
- C. 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
- D. If default occurs with respect to the Prior Bonds or the Prior Bonds Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Holders of the Bonds, 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 Holders 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 2002 Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Holder 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, 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 Holder 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 avenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2002 Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of all Series 2002 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2002 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2002 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2002 Bonds, no material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2002 Bonds shall be made without the consent in writing of the Holders of the Series 2002 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest 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 Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Holders of the Series 2002 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 2002 Bonds.

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

Section 11.05. Conflicting Provisions Repealed. Except for the Prior Bonds 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. In the event of any conflict between this Ordinance and the respective Prior Bonds Ordinance (so long as the respective Prior Bonds are Outstanding), the more restrictive provision shall control.

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, Recorder and members of the Governing Body and the Sanitary Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance, substantially in the form attached hereto as Exhibit B, which is determined by the Issuer 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 14 consecutive days, with at least 6 full days intervening between each publication, in a qualified newspaper published and of general circulation in the City of Ravenswood, together with the notice set forth therein stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2002 Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder for review by interested parties during the office hours of the Recorder.

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.

Section 11.08. Effective Date. This Ordinance shall take effect following the public hearing described in Section 11.07 above.

Passed on First Reading

November 6, 2002

Passed on Second Reading

November 19, 2002

Effective following public
hearing held on

December 3, 2002

Mayor



Recorder

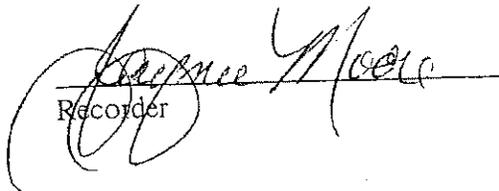


Exhibit A

DESCRIPTION OF PROJECT

The acquisition and construction of certain additions, betterments and improvements to the Issuer's existing public sewerage facilities, in the City of Ravenswood (the "City"), Jackson County, West Virginia, consisting of the rehabilitation of the City's wastewater treatment plant, including without limitation the removal of sludge accumulated over the last thirty years and related appurtenance and improvements.

Exhibit B

NOTICE OF PUBLIC HEARING

CITY OF RAVENSWOOD
NOTICE OF PUBLIC HEARING
ON SEWER 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 to be held on December 3, 2002, at _____.m., in the Council Chambers at the Ravenswood City Hall, 212 Walnut Street, Ravenswood, West Virginia, and at such hearing all objections 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 ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF RAVENSWOOD AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF RAVENSWOOD OF NOT MORE THAN THREE HUNDRED TWENTY THOUSAND DOLLARS (\$320,000.00) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF RAVENSWOOD SEWER REVENUE BONDS, SERIES 2002; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF 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 enacted by the Council of the City of Ravenswood upon petition of the Sanitary Board of the City on _____, 2002.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond issue contemplated thereby. The Bonds are to provide permanent financing of a portion of the costs of acquisition and construction of certain improvements to the sewage treatment facilities for the City of Ravenswood consisting of the rehabilitation of the City's wastewater treatment plant, including without limitation the removal of sludge accumulated over the last thirty years. The Bonds are payable solely from revenues derived from the ownership and operation of the sewerage system of the City of Ravenswood. 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 at the office of the Recorder of the City of Ravenswood for review by interested parties during regular office hours.

Following the said public hearing, the City Council intends to put said Ordinance into effect.

Dated: _____, 2002.

/s/ _____, Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Common Council of the CITY OF RAVENSWOOD on the 19th day of November, 2002, and put into effect following a public hearing held on December 3, 2002.

Dated: December 19, 2002.


Recorder

[SEAL]

1069388

CITY OF RAVENSWOOD

**Sewer Revenue Bonds, Series 2006 A and
Sewer Revenue Bonds, Series 2006 B
(United States Department of Agriculture)**

BOND ORDINANCE

Table of Contents

ARTICLE I

**STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS**

Section 1.01	Authority for this Ordinance
Section 1.02	Findings and Determinations
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

ARTICLE II

**AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE PROJECT**

Section 2.01	Authorization of Acquisition and Construction of the Project
--------------	--

ARTICLE III

**AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BONDS**

Section 3.01	Authorization of Bonds
--------------	------------------------

Section 3.02	Description of Bonds
Section 3.03	Negotiability, Registration, Transfer and Exchange of Bonds
Section 3.04	Bond Registrar
Section 3.05	Execution of Bonds
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds Secured by Pledge of Net Revenues
Section 3.08	Form of Bonds
	FORM OF BOND

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01	Establishment of Funds and Accounts with Depository Bank
Section 4.02	Establishment of Funds and Accounts with Commission
Section 4.03	Bond Proceeds; Project Construction Account
Section 4.04	Covenants of the Issuer as to System Revenues and Funds

ARTICLE V

GENERAL COVENANTS

Section 5.01	General Statement
Section 5.02	Rates
Section 5.03	Sale of the System
Section 5.04	Issuance of Additional Parity Bonds or Obligations
Section 5.05	Insurance and Bonds
Section 5.06	Statutory Mortgage Lien
Section 5.07	Events of Default
Section 5.08	Enforcement
Section 5.09	Fiscal Year; Budget
Section 5.10	Covenant to Proceed and Complete
Section 5.11	Books and Records; Audits
Section 5.12	Maintenance of System
Section 5.13	No Competition

ARTICLE VI

RATES, ETC.

Section 6.01 Initial Schedule of Rates and Charges; Rules

ARTICLE VII

MISCELLANEOUS

Section 7.01 Payment of Bonds; Bonds Not Subject to
Defeasance
Section 7.02 Modification or Amendment
Section 7.03 Delivery of Bonds
Section 7.04 Severability of Invalid Provisions
Section 7.05 Prior Ordinances; Conflicting Provisions Repealed
Section 7.06 Table of Contents and Headings
Section 7.07 Covenant of Due Procedure, Etc
Section 7.08 Effective Time
Section 7.09 Statutory Notice and Public Hearing
SIGNATURES
CERTIFICATION

CITY OF RAVENSWOOD

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF RAVENSWOOD, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$2,844,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE) AND NOT MORE THAN \$1,356,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2006 B (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The City of Ravenswood (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Jackson County of said State.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public sewerage system and desires to acquire, construct and operate certain additional public sewerage facilities consisting of additions, betterments and improvements to such existing waterworks facilities, with all appurtenant facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

B. 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 there be acquired and constructed certain additions, betterments and improvements to the existing sewerage system of the Issuer, consisting of upgrades to the existing lagoon system and mechanical type wastewater treatment plant alternatives, and all appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the City Clerk of the Issuer. The existing sewerage facilities of the Issuer, together with the Project and any further additions, betterments and improvements, are herein called the "System". The acquisition and construction of the Project and the financing 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. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is \$4,200,000, of which \$2,844,000 will be obtained from the proceeds of sale of the Series 2006 A Bonds and \$1,356,000 will be obtained from the proceeds of sale of the Series 2006 B Bonds.

E. It is necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture) (the "Series 2006 A Bonds"), and Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture) (the "Series 2006 B Bonds"), in the aggregate principal amount of \$4,200,000 (collectively, the "Series 2006 Bonds"), to finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2006 Bonds prior to, during and for 6 months after estimated completion of such acquisition and construction of the improvements and extensions; engineering, fiscal agents 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 Project, administrative expense, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2006 Bonds or the repayment of indebtedness incurred for costs of the Project by the Issuer for such purposes shall be deemed Costs of the Project.

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

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2006 Bonds as to liens, pledge and source of and security for payment, being the (i) Sewer Revenue Bonds, Series 1991, dated December 19, 1991, issued in the original aggregate principal amount of \$315,000 and currently held by the West Virginia Water Development Authority (the "Series 1991 Bonds"); and (ii) Sewer Revenue Bonds, Series 2002, dated December 19, 2002, issued in the original aggregate principal amount of \$320,000 and currently held by Wesbanco Bank, Inc. (the "Series 2002 Bonds"). The Series 1991 Bonds and the Series 2002 Bonds are hereinafter referred to as the "Prior Bonds". Prior to the issuance of the Series 2006 Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and, if required, the written consent of the Holders of the Prior Bonds to the issuance of the Series 2006 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 rank prior to or on a parity with the Series 2006 Bonds as to liens, pledge and/or source of and security for payment.

The Issuer is not in default under the terms of the Prior Bonds, the ordinances and resolutions authorizing the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

H. It is in the best interest of the Issuer that the Series 2006 Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated July 29, 2005, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2006 Bonds, or will have so complied prior to issuance of the Series 2006 Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

J. The Sanitary Board of the Issuer has presented a petition to the Issuer for enactment of this Bond Legislation.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2006 Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, 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 Series 2006 Bonds.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended.

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

"Bond Registrar" or "Registrar" means the Issuer, which shall usually so act by its Recorder.

"Bonds" means, collectively, the Series 2006 Bonds and the Prior Bonds.

"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 Engineer" means Burgess & Niple, Ltd, Parkersburg, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means WesBanco Bank, Inc., Ravenswood, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "sewerage facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, 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 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" or "Council" means the City Council of the Issuer.

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

"Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" means the City of Ravenswood, a municipal corporation and political subdivision of the State of West Virginia, in Jackson County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated July 29, 2005, and all amendments thereto, if any.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2006 Bonds in the then current or any succeeding year.

"Mayor" means the Mayor of the Issuer.

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

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

"Ordinances" means, collectively, the Prior Ordinances and the Bond Legislation.

"Prior Bonds" means the Sewer Revenue Bond, Series 1991 (West Virginia Water Development Authority), and Sewer Revenue Bond, Series 2002 (WesBanco Bank, Inc.) of the Issuer described in Section 1.02(G) hereof.

"Prior Ordinances" means the ordinances of the Issuer, enacted October 1, 1991, and December 3, 2002, authorizing the issuance of the Prior Bonds, as supplemented.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6(c) of the West Virginia Code of 1931, as amended; and

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

"Recorder" means the Recorder of the Issuer.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Bond.

"Reserve Funds" means, collectively, the respective reserve funds for the Bonds and the Prior Bonds.

"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 practices.

"Series 1991 Bond" means the Sewer Revenue Bond, Series 1991, of the Issuer, described in Section 1.02G hereof.

"Series 2002 Bond" means the Sewer Revenue Bond, Series 2002, of the Issuer, described in Section 1.02G hereof.

"Series 2006 A Bonds" means the Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture) authorized hereby to be issued pursuant to this Bond Legislation.

"Series 2006 B Bonds" means the Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture) authorized hereby to be issued pursuant to this Bond Legislation.

"State" means the State of West Virginia.

"System" means the complete public sewerage system of the Issuer and all sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the sewerage system, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the sewerage system from any source whatsoever.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2006 Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2006 Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Recorder.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project.
There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$4,200,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2006 Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2006 A Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture)," are hereby authorized to be issued in the maximum principal amount of \$2,844,000 and the Series 2006 B Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture)," are hereby authorized to be issued in the maximum principal amount of \$1,356,000, for the purposes of permanently financing a portion of the cost of the acquisition and construction of the Project and paying cost of issuance thereof.

Section 3.02. Description of Bonds. The Series 2006 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Series 2006 A Bonds shall bear interest from date of delivery, payable monthly at a rate not to exceed 4.125 % per annum, and shall be sold for the par value thereof.

The Series 2006 B Bonds shall be issued in single form, numbered BR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2005 6 Bonds shall bear interest from the date of delivery, payable monthly at the rate of 4.375 % per annum, and shall be sold for the par value thereof.

The Series 2006 Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2006 Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2006 Bonds, and the right to the principal of and stated interest on the Series 2006 Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2006 Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2006 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 Bond 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 Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2006 Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2006 Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar, and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2006 Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2006 Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2006 Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2006 Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2006 Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2006 Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2006 Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2006 Bonds shall cease to be such officer of the Issuer before the Series 2006 Bonds so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2006 Bonds had not ceased to hold such office. The Series 2006 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2006 Bonds 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 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2006 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 ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2006 Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2006 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2006 Bond the Issuer may pay the same, and, if such Series 2006 Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2006 Bonds shall be secured forthwith by a lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2006 Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2006 Bonds and Prior Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2006 Bonds 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 by any ordinance enacted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF SERIES 2006 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
SEWER REVENUE BONDS, SERIES 2006 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. AR-1

Date: _____

FOR VALUE RECEIVED, on this the ____ day of _____, 2006, the CITY OF RAVENSWOOD (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS (\$ _____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on _____, authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE FOLLOWING SEWER REVENUE BONDS OF THE BORROWER:

(i) SEWER REVENUE BONDS, SERIES 1991, DATED DECEMBER 19, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$315,000, AND CURRENTLY HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY;

(ii) SEWER REVENUE BONDS, SERIES 2002, DATED DECEMBER 19, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$320,000, AND CURRENTLY HELD BY WESBANCO BANK, INC.; AND

(iii) SEWER REVENUE BONDS, SERIES 2006 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE __, 2006, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,356,000.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

212 Walnut Street
(P.O. Box No. or Street Address)

Ravenswood, West Virginia 26164
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder
(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ 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 Borrower with full power of substitution in the premises.

Dated: _____, _____.

In presence of:

(FORM OF SERIES 2006 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
SEWER REVENUE BONDS, SERIES 2006 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. BR-1

Date: _____

FOR VALUE RECEIVED, on this the _____ day of _____, 2006, the CITY OF RAVENSWOOD (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS (\$ _____), plus interest on the unpaid principal balance at the rate of _____ % per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on _____, as supplemented, authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE FOLLOWING SEWER REVENUE BONDS OF THE BORROWER:

(i) SEWER REVENUE BONDS, SERIES 1991, DATED DECEMBER 19, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$315,000, AND CURRENTLY HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY;

(ii) SEWER REVENUE BONDS, SERIES 2002, DATED DECEMBER 19, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$320,000, AND CURRENTLY HELD BY WESBANCO BANK, INC.; AND

(iii) SEWER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE __, 2006, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,844,000.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

212 Walnut Street
(P.O. Box No. or Street Address)

Ravenswood, West Virginia 26164
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder
(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

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 Borrower with full power of substitution in the
premises.

Dated: _____, _____.

In presence of:

ARTICLE IV

SYSTEM 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 hereby created and established with (or continued if previously established by the Prior Ordinances), and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established by the Prior Ordinances as the "Revenue or Sewer Revenue Fund" and continued hereby);
- (2) Operation and Maintenance Fund (established by the Prior Ordinances and continued hereby);
- (3) Renewal and Replacement Fund (established by the Prior Ordinances and continued hereby); and
- (4) Series 2006 Project Construction Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

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

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of sale of the Series 2006 Bonds shall be deposited upon receipt by the Issuer in the Series 2006 A Project Construction Account. The moneys in the Series 2006 Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository 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 Series 2006 Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Moneys in the Series 2006 Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2006 Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2006 Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Series 2006 Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2006 Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to System Revenues and Funds. So long as the Series 2006 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2006 Bonds Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2006 Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the Holder of the Series 2006 Bonds as follows:

A. **REVENUE FUND.** The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances 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 Ordinances.

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, subject to the provisions of the Prior Ordinances not otherwise modified herein:

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

(2) The Issuer shall next, each month, transfer from the Revenue Fund and (i) on the first day of each month, remit to the Commission, for deposit in the respective Prior Bonds Sinking Funds, the amounts required by the Prior Ordinances to pay the interest, principal and redemption payments on the Prior Bonds; and (ii) beginning 30 days following the Closing Date, remit to the National Finance Office, the amounts required to pay the interest on the

Series 2006 A Bonds. Beginning on the 24th monthly anniversary of the Closing Date and continuing on each monthly anniversary of the Closing Date thereafter, the Issuer shall transfer from the Revenue Fund and remit to the National Finance Office the amounts required to amortize the interest on and principal of the Series 2006 A Bonds over the life of the Bond issue; and (iii) beginning 30 days following the Closing Date, remit to the National Finance Office, the amounts required to pay the interest on the Series 2006 B Bonds. Beginning on the 24th monthly anniversary of the Closing Date and continuing on each monthly anniversary of the Closing Date thereafter, the Issuer shall transfer from the Revenue Fund and remit to the National Finance Office the amounts required to amortize the interest on and principal of the Series 2006 B Bonds over the life of the Bond issue. All payments with respect to principal of and interest on the Prior Bonds and the Series 2006 Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit (i) to the Commission, the amounts required by the Prior Ordinances to be deposited in the respective Prior Bonds Reserve Accounts; and (ii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2006 A Bonds Reserve Account, 10% of the monthly payment amount, calculated monthly, until the amount in the Series 2006 A Bonds Reserve Account equals the Minimum Reserve; 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 Minimum Reserve; and (iii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2006 B Bonds Reserve Account, 10% of the monthly payment amount, calculated monthly, until the amount in the Series 2006 B Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into the Series 2006 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Minimum Reserve. Monies in the respective Series 2006 Bonds Reserve Accounts shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2006 Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2006 Bonds, or for mandatory prepayment of the Series 2006 Bonds as hereinafter provided, and for no other purpose; provided, however, earnings from monies in the respective Series

2006 Bonds Reserve Accounts, so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund the amounts required by the Prior Ordinances to be deposited therein. 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 the respective Prior Ordinances. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System, as more specifically set forth in the Prior Ordinances; provided, that any deficiencies in the respective Series 2006 Bonds Reserve Accounts (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), shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein, may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose.

Whenever the moneys in the Series 2006 A Bonds Reserve Account shall be sufficient to prepay the Series 2006 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2006 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

Whenever the moneys in the Series 2006 B Bonds Reserve Account shall be sufficient to prepay the Series 2006 B Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2006 B Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the respective Series 2006 Bonds Reserve Accounts as herein provided, and all amounts required for the respective Series 2006 Bonds Reserve Accounts will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein. If

required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

The Revenue Fund shall constitute a Trust Fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2006 A Bonds and the interest thereon, on a parity with the Prior Bonds.

The Series 2006 A Bonds Reserve Account shall constitute a trust fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2006 A Bonds and the interest thereon.

The Series 2006 B Bonds Reserve Account shall constitute a trust fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2006 B Bonds and the interest thereon.

The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day if each month), deposit with the Commission the required reserve account 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.

All funds provided for in this Article (excluding the Series 2006 Project Construction Account) shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bonds and the interest thereon.

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.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2006 Bonds and the Prior Bonds, in accordance with the respective principal amounts then outstanding.

Subject to the Prior Ordinances, the Commission and the Depository Bank, at the direction of the Issuer, shall keep the moneys in the respective Series 2006 Bonds Reserve Accounts and the Renewal and Replacent 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 Legislation shall, unless otherwise provided herein or in the Prior Ordinances, or unless otherwise 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 Board of Treasury 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. Earnings on moneys in the respective Series 2006 Bonds Reserve Accounts, so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Bonds, provide evidence that there will be at least 1,763 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission or the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The moneys in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments, as shall be eligible as security for deposits of State and municipal funds under the laws of the State of West Virginia.

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

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

Section 4.05. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of advances of principal of the Series 2006 Bonds, the

Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed \$4,200,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into the credit agreement with such commercial bank or other lender. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 2006 Bonds. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2006 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the respective Series 2006 Bonds Reserve Accounts a sums sufficient to prepay the entire principal of the respective Series 2006 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 Series 2006 Bonds.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Ordinances. 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 110% of the annual debt service on the Series 2006 Bonds and the Prior Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Ordinances. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2006 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. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds or obligations payable out of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

So long as the Series 1991 Bonds and the Series 2006 Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

- (1) The Bonds Outstanding;

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

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2006 Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 1991 Bonds and the Series 2006 Bonds are no longer outstanding, the following parity requirement shall be met:

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

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues expected 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 prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period 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, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Ordinances with respect to the Series 2006 Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinances.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2006 Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE 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 and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. 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 Series 2006 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 ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

E. FLOOD INSURANCE to be procured, to the extent available at reasonable cost to the Issuer; provided, however, if the Issuer is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee of the Issuer having custody of the Revenue Fund or of any Revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

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 Series 2006 Bonds are 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 Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2006 Bonds, a statutory mortgage lien upon the System is granted and created by the Act on a parity with the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2006 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 monthly amortization installment upon the Series 2006 Bonds at the date specified for payment thereof;

B. Failure to duly and punctually observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2006 Bonds or herein, or violation of or failure to observe any provision of any pertinent law; and

C. If a default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser 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.

Upon application by the Purchaser as provided in the Act, 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; provided that, all rights and remedies of the Holders of the Prior Bonds shall be on a parity with the Series 2006 Bonds.

Section 5.09. Fiscal Year; Budget. While the Series 2006 Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next preceding year by more than 10%; and provided further that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recorder on the date of enactment hereof, subject to permitted changes.

Section 5.11. Books and Records; Audits. The Issuer will keep books, accounts and records of the System, in accordance with the Act, 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, including, without limitation, the amount of Revenues received from the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants, which report of such audit shall be open to the public for inspection at all reasonable times, and the Issuer shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and repair and maintain the System as a revenue-producing utility as herein provided so long as the Series 2006 Bonds are outstanding.

Section 5.13. 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.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the rate ordinance of the Issuer enacted on July 19, 2005, which rate ordinance is incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served of equal degree, rank and priority with the lien on such premise of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any 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. The Issuer shall additionally have such powers as provided under the Act with respect to collection of rates and charges for the System.

G. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the

services and facilities of the System which shall at all times be sufficient to provide revenues to meet its payments and obligations provided hereunder and under the Prior Ordinances.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds; Bonds Not Subject to Defeasance. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2006 Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2006 Bonds, the pledge of Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2006 Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through direct payment to the Holder of the Series 2006 Bonds of the outstanding principal of and accrued interest on the Bonds, the Issuer may not defease the Series 2006 Bonds or otherwise provide for the payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2006 Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2006 Bonds, no modification or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Bond, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. 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 severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 7.05. Prior Ordinances; Conflicting Provisions Repealed. The Prior Ordinances and all parts thereof not hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Ordinances.

All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47) and the Prior Ordinances.

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

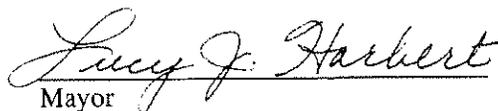
Section 7.08. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 7.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council 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 14 consecutive days, with at least 6 full days intervening between each publication, in The Jackson Herald and The Jackson Star News, being qualified newspapers of general circulation in the City of Ravenswood, together with a notice stating that this Ordinance has been adopted, that the Issuer contemplates the issuance of the Bond, that any person interested may appear before the Council upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file with the Council for review by interested persons during the office hours of the Council. At such hearing, all protests and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading: May 2, 2006

Passed on Second Reading: May 16, 2006

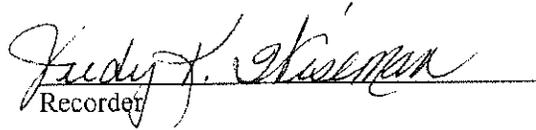
Passed on Final Reading
Following Public Hearing: June 6, 2006


Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Ravenswood on the 6th day of June, 2006, which Ordinance has not been repealed, rescinded, modified, amended or revoked as witness my hand and the seal of the City of Ravenswood on this 19th day of June, 2006.

[SEAL]


Recorder

05/17/06
735860.00001

CITY OF RAVENSWOOD

Sewer Revenue Bonds, Series 2006 A and
Sewer Revenue Bonds, Series 2006 B
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION APPROVING A
CONFORMED BOND ORDINANCE; 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 June 6, 2006 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF RAVENSWOOD, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN \$4,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds, Series 2006 A, of the Issuer (the "Series 2006 A Bonds"), in an aggregate principal amount not to exceed \$4,500,000, and has authorized the execution and delivery of the documents relating to the Bonds, all in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Issuer had to obtain additional funding from the Purchaser, as bids were received higher than expected. Therefore, the Bond Ordinance must be revised to include a second series of bonds to cover the additional borrowing amount of \$1,356,000 for a total project cost of \$4,200,000;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Conformed Bond Ordinance be approved;

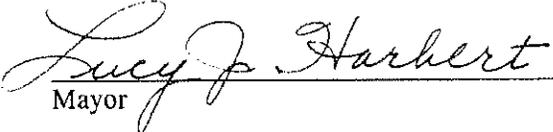
NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF CITY OF RAVENSWOOD:

Section 1. The Issuer does hereby approve the Conformed Bond Ordinance attached hereto as Exhibit A.

Section 2. 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 June 19, 2006, to the Purchaser.

Section 3. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 6th day of June, 2006.



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Ravenswood on the 6th day of June, 2006.

Dated: June 19, 2006.

[SEAL]


Recorder

735860.00001

CH824922.1

EXHIBIT A

CONFORMED BOND ORDINANCE

CITY OF RAVENSWOOD

**Sewer Revenue Bonds, Series 2006 A and
Sewer Revenue Bonds, Series 2006 B
(United States Department of Agriculture)**

BOND ORDINANCE

Table of Contents

ARTICLE I

**STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS**

Section 1.01	Authority for this Ordinance
Section 1.02	Findings and Determinations
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

ARTICLE II

**AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE PROJECT**

Section 2.01	Authorization of Acquisition and Construction of the Project
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ARTICLE III

**AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BONDS**

Section 3.01	Authorization of Bonds
--------------	------------------------

Section 3.02	Description of Bonds
Section 3.03	Negotiability, Registration, Transfer and Exchange of Bonds
Section 3.04	Bond Registrar
Section 3.05	Execution of Bonds
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds Secured by Pledge of Net Revenues
Section 3.08	Form of Bonds
	FORM OF BOND

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01	Establishment of Funds and Accounts with Depository Bank
Section 4.02	Establishment of Funds and Accounts with Commission
Section 4.03	Bond Proceeds; Project Construction Account
Section 4.04	Covenants of the Issuer as to System Revenues and Funds

ARTICLE V

GENERAL COVENANTS

Section 5.01	General Statement
Section 5.02	Rates
Section 5.03	Sale of the System
Section 5.04	Issuance of Additional Parity Bonds or Obligations
Section 5.05	Insurance and Bonds
Section 5.06	Statutory Mortgage Lien
Section 5.07	Events of Default
Section 5.08	Enforcement
Section 5.09	Fiscal Year; Budget
Section 5.10	Covenant to Proceed and Complete
Section 5.11	Books and Records; Audits
Section 5.12	Maintenance of System
Section 5.13	No Competition

ARTICLE VI

RATES, ETC.

Section 6.01 Initial Schedule of Rates and Charges; Rules

ARTICLE VII

MISCELLANEOUS

Section 7.01 Payment of Bonds; Bonds Not Subject to
Defeasance
Section 7.02 Modification or Amendment
Section 7.03 Delivery of Bonds
Section 7.04 Severability of Invalid Provisions
Section 7.05 Prior Ordinances; Conflicting Provisions Repealed
Section 7.06 Table of Contents and Headings
Section 7.07 Covenant of Due Procedure, Etc
Section 7.08 Effective Time
Section 7.09 Statutory Notice and Public Hearing
SIGNATURES
CERTIFICATION

CITY OF RAVENSWOOD

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE CITY OF RAVENSWOOD, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN ~~\$4,500~~\$2,844,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, ~~SERIES 2006 A~~SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE) AND NOT MORE THAN \$1,356,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2006 B (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The City of Ravenswood (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Jackson County of said State.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public sewerage system and desires to acquire, construct and operate certain additional public sewerage facilities consisting of additions, betterments and improvements to such existing waterworks facilities,

with all appurtenant facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

B. 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 there be acquired and constructed certain additions, betterments and improvements to the existing sewerage system of the Issuer, consisting of upgrades to the existing lagoon system and mechanical type wastewater treatment plant alternatives, and all appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the City Clerk of the Issuer. The existing sewerage facilities of the Issuer, together with the Project and any further additions, betterments and improvements, are herein called the "System". The acquisition and construction of the Project and the financing 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. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is ~~\$4,500,000~~ \$2,844,000, of which ~~not more than \$4,500,000~~ \$2,844,000 will be obtained from the proceeds of sale of the ~~Bonds herein authorized~~ Series 2006 A Bonds and \$1,356,000 will be obtained from the proceeds of sale of the Series 2006 B Bonds.

E. It is necessary for the Issuer to issue its Sewer Revenue Bonds ~~Series 2006 A (United States Department of Agriculture) (the "Series 2006 A Bonds"), and Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture) (the "Series 2006 B Bonds"),~~ Series 2006 A (United States Department of Agriculture) (the "Series 2006 A Bonds"), and Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture) (the "Series 2006 B Bonds"), in the aggregate principal amount of ~~not more than \$4,500,000~~ (collectively, the "Series 2006-A Bonds"), to finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the ~~Series 2006-A Bonds~~ prior to, during and for 6 months after estimated completion of such acquisition and construction of the improvements and extensions; engineering, fiscal agents 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 Project, administrative expense, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; 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 for costs of the Project by the Issuer for such purposes shall be deemed Costs of the Project.

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

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2006 ~~A~~-Bonds as to liens, pledge and source of and security for payment, being the (i) Sewer Revenue Bonds, Series 1991, dated December 19, 1991, issued in the original aggregate principal amount of \$315,000 and currently held by the West Virginia Water Development Authority (the "Series 1991 Bonds"); and (ii) Sewer Revenue Bonds, Series 2002, dated December 19, 2002, issued in the original aggregate principal amount of \$320,000 and currently held by Wesbanco Bank, Inc. (the "Series 2002 Bonds"). The Series 1991 Bonds and the Series 2002 Bonds are hereinafter referred to as the "Prior Bonds". Prior to the issuance of the Series 2006 ~~A~~-Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and, if required, 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 rank prior to or on a parity with the ~~Series 2006 A Bonds~~Series 2006 Bonds as to liens, pledge and/or source of and security for payment.

The Issuer is not in default under the terms of the Prior Bonds, the ordinances and resolutions authorizing the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

H. It is in the best interest of the Issuer that the Series 2006 ~~A~~ Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated July 29, 2005, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2006 ~~A~~-Bonds, or will have so complied prior to issuance of the Series 2006 ~~A~~ Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

J. The Sanitary Board of the Issuer has presented a petition to the Issuer for enactment of this Bond Legislation.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2006-~~A~~ Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, 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 Series 2006-~~A~~ Bonds.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended.

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

"Bond Registrar" or "Registrar" means the Issuer, which shall usually so act by its Recorder.

"Bonds" means, collectively, the Series 2006-~~A~~ Bonds and the Prior Bonds.

"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 Engineer" means Burgess & Niple, Ltd, Parkersburg, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means WesBanco Bank, Inc., Ravenswood, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "sewerage facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, 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 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" or "Council" means the City Council of the Issuer.

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

~~_____ "Grants" means, collectively, all grants committed for the Project.~~

~~_____~~ "Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" means the City of Ravenswood, a municipal corporation and political subdivision of the State of West Virginia, in Jackson County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated July 29, 2005, and all amendments thereto, if any.

"Minimum Reserve" 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.

"Mayor" means the Mayor of the Issuer.

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

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

"Ordinances" means, collectively, the Prior Ordinances and the Bond Legislation.

"Prior Bonds" means the Sewer Revenue Bond, Series 1991 (West Virginia Water Development Authority), and Sewer Revenue Bond, Series 2002 (WesBanco Bank, Inc.) of the Issuer described in Section 1.02(G) hereof.

"Prior Ordinances" means the ordinances of the Issuer, enacted October 1, 1991, and December 3, 2002, authorizing the issuance of the Prior Bonds, as supplemented.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;
- (d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;
- (e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations

pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the ~~West Virginia~~West Virginia Board of ~~Investment Management~~Treasury Investments pursuant to Chapter 12, Article 6(c) of the West Virginia Code of 1931, as amended; and

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

"Recorder" means the Recorder of the Issuer.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Bond.

"Reserve Funds" means, collectively, the respective reserve funds for the Bonds and the Prior Bonds.

"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 practices.

"Series 1991 Bond" means the Sewer Revenue Bond, Series 1991, of the Issuer, described in Section 1.02G hereof.

"Series 2002 Bond" means the Sewer Revenue Bond, Series 2002, of the Issuer, described in Section 1.02G hereof.

"Series 2006 A Bonds" means the Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture) authorized hereby to be issued pursuant to this Bond Legislation.

"Series 2006 B Bonds" means the Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture) authorized hereby to be issued pursuant to this Bond Legislation.

"State" means the State of West Virginia.

"System" means the complete public sewerage system of the Issuer and all sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the sewerage system, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the sewerage system from any source whatsoever.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2006-~~A~~ Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2006-~~A~~ Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Recorder.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project.
There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of ~~not to exceed~~ \$4,500,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2006A Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2006 A Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2006 A (United States Department of Agriculture)," are hereby authorized to be issued in the maximum principal amount of ~~\$4,500~~\$2,844,000 and the Series 2006 B Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2006 B (United States Department of Agriculture)," are hereby authorized to be issued in the maximum principal amount of \$1,356,000, for the purposes of permanently financing a portion of the cost of the acquisition and construction of the Project and paying cost of issuance thereof.

Section 3.02. Description of Bonds. The ~~Series 2006 A~~2006 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Series ~~2006 A~~2006 A Bonds shall bear interest from date of delivery, payable monthly at a rate not to exceed ~~5-04~~4.125 % per annum, and shall be sold for the par value thereof.

The Series 2006 B Bonds shall be issued in single form, numbered BR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2006 B Bonds shall bear interest from the date of delivery, payable monthly at the rate of 4.375% per annum, and shall be sold for the par value thereof.

The Series 2006-A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2006-A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2006 A Bonds, and the right to the principal of and stated interest on the Series 2006-A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the ~~Series 2006 A Bonds~~Series 2006 Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the ~~Series 2006 A Bonds~~Series 2006 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 Bond 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 Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2006-A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2006-A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar, and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the ~~Series 2006-A Bonds~~ Series 2006 Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the ~~Series 2006-A Bonds~~ Series 2006 Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2006-A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2006 A-Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2006 A-Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2006-A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The ~~Series 2006-A Bonds~~ Series 2006 Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto 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 has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such ~~Series 2006-A Bonds~~ Series 2006 Bonds had not ceased to hold such office. The Series 2006A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2006-A Bonds 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 3.06. 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 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 ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2006 ~~A~~-Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2006 ~~A~~-Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2006 ~~A~~-Bond the Issuer may pay the same, and, if such Series 2006 ~~A~~ Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2006 ~~A~~-Bonds shall be secured forthwith by a lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2006 ~~A~~-Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2006 ~~A~~ Bonds and Prior Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2006 ~~A~~-Bonds 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 by any ordinance enacted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF SERIES 2006 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
SEWER REVENUE BONDS, ~~SERIES 2006 A~~ SERIES 2006 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. AR-1

Date: _____

FOR VALUE RECEIVED, on this the ____ day of _____, 2006, the CITY OF RAVENSWOOD (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS (\$ _____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on _____, authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE FOLLOWING SEWER REVENUE BONDS OF THE BORROWER:

(i) SEWER REVENUE BONDS, SERIES 1991, DATED DECEMBER 19, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$315,000, AND CURRENTLY HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; ~~AND~~

(ii) SEWER REVENUE BONDS, SERIES 2002, DATED DECEMBER 19, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$320,000, AND CURRENTLY HELD BY WESBANCO BANK, INC.
: AND

(iii) SEWER REVENUE BONDS, SERIES 2006 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE , 2006, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,356,000.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor
(Title of Executive Official)

212 Walnut Street
(P.O. Box No. or Street Address)

Ravenswood, West Virginia 26164
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder
(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ 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 Borrower with full power of substitution in the premises.

Dated: _____, _____.

In presence of:

(FORM OF SERIES 2006 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
SEWER REVENUE BONDS, SERIES 2006 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. BR-1

Date: _____

FOR VALUE RECEIVED, on this the _____ day of _____, 2006, the CITY OF RAVENSWOOD (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS (\$ _____), plus interest on the unpaid principal balance at the rate of _____ % per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on _____, as supplemented, authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE FOLLOWING SEWER REVENUE BONDS OF THE BORROWER:

(i) SEWER REVENUE BONDS, SERIES 1991, DATED DECEMBER 19, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$315,000, AND CURRENTLY HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY;

(ii) SEWER REVENUE BONDS, SERIES 2002, DATED DECEMBER 19, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$320,000, AND CURRENTLY HELD BY WESBANCO BANK, INC.;
AND

(iii) SEWER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE _____, 2006, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,844,000.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

[CORPORATE SEAL]

(Signature of Executive Official)

Mayor

(Title of Executive Official)

212 Walnut Street

(P.O. Box No. or Street Address)

Ravenswood, West Virginia 26164

(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Recorder

(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

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

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to
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 Borrower with full power of substitution in the
premises.

Dated: _____

In presence of:

ARTICLE IV

SYSTEM 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 hereby created and established with (or continued if previously established by the Prior Ordinances), and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established by the Prior Ordinances as the "Revenue or Sewer Revenue Fund" and continued hereby);
- (2) Operation and Maintenance Fund (established by the Prior Ordinances and continued hereby);
- (3) Renewal and Replacement Fund (established by the Prior Ordinances and continued hereby); and
- (4) Series 2006 A-Project Construction Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- ~~(1) Series 1991 Bonds Sinking Fund (established by the Prior Ordinances and continued hereby);~~
- ~~(2) Series 1991 Bonds Reserve Account (established by the Prior Ordinances and continued hereby);~~
- ~~(3) Series 2002 Bonds Sinking Fund (established by the Prior Ordinances and continued hereby);~~
- ~~(4) Series 2002 Bonds Reserve Account (established by the Prior Ordinances and continued hereby); and~~
- (5) Series 2006 A Bonds Reserve Account; and

(2) Series 2006 B Bonds Reserve Account.

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of sale of the Series 2006-A Bonds shall be deposited upon receipt by the Issuer in the Series 2006 A Project Construction Account. The moneys in the Series 2006-A Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository 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 Series 2006-A Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Moneys in the Series 2006 A-Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2006 A-Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2006-A Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Series 2006 A-Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2006 A-Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to System Revenues and Funds. So long as the Series 2006 A-Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2006-A Bonds Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2006-A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the Holder of the Series 2006-A Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances 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 Ordinances.

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, subject to the provisions of the Prior Ordinances not otherwise modified herein:

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

(2) The Issuer shall next, each month, transfer from the Revenue Fund and (i) on the first day of each month, remit to the Commission, for deposit in the ~~Series 1991~~ respective Prior Bonds Sinking Fund and Series 2002 Bonds Sinking Fund Funds, the amounts required by the Prior Ordinances to pay the interest, principal and redemption payments on the Prior Bonds; and (ii) beginning 30 days following the Closing Date, remit to the National Finance Office, the amounts required to pay the interest on the Series 2006 A Bonds and Beginning on the 24th monthly anniversary of the Closing Date and continuing on each monthly anniversary of the Closing Date thereafter, the Issuer shall transfer from the Revenue Fund and remit to the National Finance Office the amounts required to amortize the interest on and principal of the Series 2006 A Bonds over the life of the Bond issue; and (iii) beginning 30 days following the Closing Date, remit to the National Finance Office, the amounts required to pay the interest on the Series 2006 B Bonds. Beginning on the 24th monthly anniversary of the Closing Date and continuing on each monthly anniversary of the Closing Date thereafter, the Issuer shall transfer from the Revenue Fund and remit to the National Finance Office the amounts required to amortize the interest on and principal of the Series 2006 B Bonds over the life of the Bond issue. All payments with respect to principal of and interest on the Prior Bonds and the Series-2006-A Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit (i) to the Commission, the amounts required by the Prior Ordinances to be deposited in the ~~Series 1991~~ respective Prior Bonds Reserve Account and Series 2002 Bonds Reserve Account Accounts; and (ii) beginning on the date specified by the Purchaser, but in any event not later than the ~~24th~~ 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series-2006 A Bonds Reserve Account, ~~10%~~ 10% of the monthly payment amount, calculated monthly, until the amount in the Series 2006-A Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into the ~~Series 2006 A~~ 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 Minimum Reserve; and (iii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2006 B Bonds Reserve Account, 10% of the monthly payment amount, calculated monthly, until the amount in the Series 2006 B Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into the Series 2006 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Minimum Reserve. ~~Moneys~~ Monies in the respective Series 2006-A Bonds Reserve Accounts shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the ~~Series 2006 A Bonds~~ 2006 Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the ~~Series 2006 A Bonds~~ 2006 Bonds, or for mandatory prepayment of the ~~Series 2006 A Bonds~~ 2006 Bonds as hereinafter provided, and for no other purpose; provided, however, ~~that when earnings from monies in the Minimum Reserve has been accumulated in the~~ respective Series 2006-A Bonds Reserve Account, all earnings of investments of moneys therein shall at least annually be transferred to and ~~Accounts, so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.~~ —

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund the amounts required by the Prior Ordinances to be deposited therein. 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 the respective Prior Ordinances. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System, as more specifically set forth in the Prior Ordinances; provided, that any deficiencies in the respective Series 2006 Bonds Reserve Accounts (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), shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein, may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose.

Whenever the moneys in the Series ~~2006 A~~ 2006 A Bonds Reserve Account shall be sufficient to prepay the ~~Series 2006 A Bonds~~ Series 2006 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the ~~Series 2006 A Bonds~~ Series 2006 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

Whenever the moneys in the Series 2006 B Bonds Reserve Account shall be sufficient to prepay the Series 2006 B Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2006 B Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the respective Series 2006 A Bonds Reserve Accounts as herein provided, and all amounts required for the respective Series 2006 A Bonds Reserve Accounts will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and ~~E~~electronically transferred to the Commission on the dates required hereunder.

The Revenue Fund shall constitute a Trust Fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2006 A Bonds and the interest thereon, on a parity with the Prior Bonds.

The Series 2006 A Bonds Reserve Account shall constitute a trust fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2006 A Bonds and the interest thereon.

The Series 2006 B Bonds Reserve Account shall constitute a trust fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2006 B Bonds and the interest thereon.

The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day if each month), deposit with the Commission the required reserve account payments with respect to the Series 2006 ~~A~~ Bonds and all such payments

shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

All funds provided for in this Article (excluding the Series 2006 A-Project Construction Account) shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bonds and the interest thereon.

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.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2006 A-Bonds and the Prior Bonds, in accordance with the respective principal amounts then outstanding.

Subject to the Prior Ordinances, the Commission and the Depository Bank, at the direction of the Issuer, shall keep the moneys in the respective Series 2006-A Bonds Reserve Accounts and the Depreciation Reserve Renewal and Replacent 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 Legislation shall, unless otherwise provided herein or in the Prior Ordinances, or unless otherwise 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 ~~Investment Management Board~~ Board of Treasury 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. Earnings on moneys in the respective Series 2006-A Bonds Reserve Accounts, so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Bonds, provide evidence that there will be at least 1,763 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission or the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The moneys in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments, as shall be eligible as security for deposits of State and municipal funds under the laws of the State of West Virginia.

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

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

Section 4.05. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of advances of principal of the Series 2006-A Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed \$4,500,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into the credit agreement with such commercial bank or other lender. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 2006-A Bonds. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2006 A-Bonds shall be outstanding and unpaid, or until there shall have been set apart in the respective Series 2006-A Bonds Reserve Accounts a sum sufficient to prepay the entire principal of the respective Series 2006-A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2006-A Bonds.

Section 5.02. Rates. ~~Prior to the issuance of the Series 2006 A Bonds equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that, so~~ So long as the Prior Bonds are outstanding, the schedule of rates or charges from Issuer will maintain rates as required in the Prior Ordinances. 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 in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 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 amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2006 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2006 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 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. At such time as the Prior Bonds are no longer outstanding, the rates and charges of the System shall always be such as to whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Series 2006-A Bonds and the Prior Bonds and sufficient to make the payments

required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Ordinances. The System will not be sold without the prior written consent of the Purchaser so long as the ~~Series 2006 A Bonds~~ Series 2006 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. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds or obligations payable out of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

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

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the ~~Series 2006 A Bonds~~, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 1991 Bonds and the Series 2006 A Bonds are no longer outstanding, the following parity requirement shall be met:

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity

Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

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

The "estimated average increased annual Net Revenues expected 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 prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period 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, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

~~A~~No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts established for provided for in this Bond Legislation and the Prior Ordinances with respect to the Series 2006 A-Bonds and the Prior Bonds must be current then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer must not be in default under the Series 2006 A-Bonds or the Prior Bonds in order for the Issuer to issue Parity Bonds shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation and the Prior Ordinances.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2006 ~~A~~-Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE 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 and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. 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 Series 2006-A 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 ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

E. FLOOD INSURANCE to be procured, to the extent available at reasonable cost to the Issuer; provided, however, if the Issuer is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee of the Issuer having

custody of the Revenue Fund or of any Revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

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 Series 2006 ~~A~~-Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2006 ~~A~~-Bonds, a statutory mortgage lien upon the System is granted and created by the Act on a parity with the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2006 ~~A~~ 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 monthly amortization installment upon the Series 2006 ~~A~~-Bonds at the date specified for payment thereof; ~~and~~

B. Failure to duly and punctually observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2006 ~~A~~-Bonds or herein, or violation of or failure to observe any provision of any pertinent law; and

C. If a default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser 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.

Upon application by the Purchaser as provided in the Act, 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 and as provided in the Act; provided that, all rights and remedies of the Holders of the Prior Bonds shall be on a parity with the Series 2006 Bonds.

Section 5.09. Fiscal Year; Budget. While the Series 2006 A-Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next preceding year by more than 10%; and provided further that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recorder on the date of enactment hereof, subject to permitted changes.

Section 5.11. Books and Records; Audits. The Issuer will keep books, accounts and records of the System, in accordance with the Act, 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, including, without limitation, the amount of Revenues received from the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants, which report of such audit shall be open to the public for inspection at all reasonable times, and the Issuer shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and repair and maintain the System as a revenue-producing utility as herein provided so long as the Series 2006 A-Bonds are outstanding.

Section 5.13. 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.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the rate ordinance of the Issuer enacted on July 19, 2005, which rate ordinance is incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served of equal degree, rank and priority with the lien on such premise of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any 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. The Issuer shall additionally have such powers as provided under the Act with respect to collection of rates and charges for the System.

G. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions hereof, and the Issuer shall always be obligated to and shall fix, establish and collect fees, rates and charges for the

services and facilities of the System which shall at all times be sufficient to provide revenues to meet its payments and obligations provided hereunder and under the Prior Ordinances.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds; Bonds Not Subject to Defeasance. If the Issuer shall pay or there shall otherwise be paid to the Holder 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 with respect to the Series 2006~~A~~ Bonds, the pledge of Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2006~~A~~ Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through direct payment to the Holder of the Series 2006 ~~A~~-Bonds of the outstanding principal of and accrued interest on the Bonds, the Issuer may not defease the Series 2006~~A~~ Bonds or otherwise provide for the payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2006 ~~A~~-Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2006~~A~~ Bonds, no modification or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Bond, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. 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 severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 7.05. Prior Ordinances; Conflicting Provisions Repealed. The Prior Ordinances and all parts thereof not hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Ordinances.

All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47) and the Prior Ordinances.

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

Section 7.08. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 7.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council 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 14 consecutive days, with at least 6 full days intervening between each publication, in The Jackson Herald and The Jackson Star News, being qualified newspapers of general circulation in the City of Ravenswood, together with a notice stating that this Ordinance has been adopted, that the Issuer contemplates the issuance of the Bond, that any person interested may appear before the Council upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file with the Council for review by interested persons during the office hours of the Council. At such hearing, all protests and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading: ~~April 18~~ May 2, 2006

Passed on Second Reading: May 16, 2006

Passed on Final Reading
Following Public Hearing: June 6, 2006

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Ravenswood on the 6th day of June, 2006, which Ordinance has not been repealed, rescinded, modified, amended or revoked

 Dated as witness my hand and the seal of the City of Ravenswood on this
 19th day of June, 2006.

[SEAL]

Recorder

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
SEWER REVENUE BONDS, SERIES 2006 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,844,000

No. AR-1

Date: June 19, 2006

FOR VALUE RECEIVED, on this the 19th day of June, 2006, the CITY OF RAVENSWOOD (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO MILLION EIGHT HUNDRED FORTY-FOUR THOUSAND DOLLARS (\$2,844,000), plus interest on the unpaid principal balance at the rate of 4.125% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$12,372, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment

to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance

of Borrower duly enacted on June 6, 2006, as supplemented, authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE FOLLOWING SEWER REVENUE BONDS OF THE BORROWER:

(i) SEWER REVENUE BONDS, SERIES 1991, DATED DECEMBER 19, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$315,000, AND CURRENTLY HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY;

(ii) SEWER REVENUE BONDS, SERIES 2002, DATED DECEMBER 19, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$320,000, AND CURRENTLY HELD BY WESBANCO BANK, INC.; AND

(iii) SEWER REVENUE BONDS, SERIES 2006 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 19, 2006, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,356,000.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Left Blank]

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

[CORPORATE SEAL]

By: Lucy F. Harbert
Its: Mayor

212 Walnut Street
Ravenswood, West Virginia 26164

ATTEST:

Judy F. Brennan
Its: Recorder

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 164,600	June 19, 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		\$	

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

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 Borrower with full power of substitution in the
premises.

Dated: _____, _____.

In presence of:

05/17/06
735860.00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RAVENSWOOD
SEWER REVENUE BONDS, SERIES 2006 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$1,356,000

No. AR-1

Date: June 19, 2006

FOR VALUE RECEIVED, on this the 19th day of June, 2006, the CITY OF RAVENSWOOD (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION THREE HUNDRED FIFTY-SIX THOUSAND DOLLARS (\$1,356,000), plus interest on the unpaid principal balance at the rate of 4.375% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$6,116, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment

to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the sewerage system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance

of Borrower duly enacted on June 6, 2006, as supplemented, authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE FOLLOWING SEWER REVENUE BONDS OF THE BORROWER:

(i) SEWER REVENUE BONDS, SERIES 1991, DATED DECEMBER 19, 1991, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$315,000, AND CURRENTLY HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY;

(ii) SEWER REVENUE BONDS, SERIES 2002, DATED DECEMBER 19, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$320,000, AND CURRENTLY HELD BY WESBANCO BANK, INC.; AND

(iii) SEWER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 19, 2006, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,844,000.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Left Blank]

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.

[CORPORATE SEAL]

CITY OF RAVENSWOOD

By *Larry J. Herbert*
Its: Mayor

212 Walnut Street
Ravenswood, West Virginia 26164

ATTEST:

Judy K. ...
Its: Recorder

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 68,000	June 19, 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 \$ _____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to _____ 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 Borrower with full power of substitution in the premises.

Dated: _____, _____.

In presence of:

06.08.06
735860.00001