TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

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

OPINIONS OF COUNSEL

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

CERTIFICATES

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

DOCUMENTS OF THE ISSUER

16. Charter and Rules of Procedure

17. Oaths of Office of Officers and Councilmembers

18. Water Rate Ordinance

19. Minutes on Adoption and Enactment of Rate Ordinance

20. Affidavits of Publication of Rate Ordinance and Notice of Public Hearing

21. Minutes on Adoption and Enactment of Bond Ordinance, Supplemental Resolution, First Draw Resolution and Sweep Resolution

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

23. Municipal Bond Commission New Issue Report

MISCELLANEOUS DOCUMENTS

24. Acceptance of Appointment as Depository Bank

25. Acceptance of Duties as Registrar

26. Certificate of Registration of Bonds

27. Registrar's Agreement

28. Evidence of Insurance

29. Bureau for Public Health Permit

30. IJDC Grant Agreement

31. USDA Letter of Conditions

32. USDA Grant Agreement

33. Evidence of EPA grant

34. Closing Memorandum

35. Sweep Resolution

36. Consent of USDA

37. Prior Bond Ordinance

TOWN OF ROWLESBURG

WATER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND ORDINANCE

Table of Contents

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

ARTICLE II
AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Acquisition and Construction of the Project.

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

Section 3.01. Authorization of Bonds.
Section 3.02. Terms of Bonds.
Section 3.03. Execution of Bonds.
Section 3.04. Authentication and Registration.
Section 3.05. Negotiability, Transfer and Registration.
Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost.
Section 3.07. Bonds not to be Indebtedness of the Issuer.
Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds.
Section 3.09. Delivery of Bonds.
Section 3.10. Form of Series 2011 A Bonds.
Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement.
Section 3.12. Filing of Amended Schedule.

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

ARTICLE VI
APPLICATION OF BOND PROCEEDS

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

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer.
Section 7.02. Bonds not to be Indebtedness of the Issuer.
Section 7.03. Bonds Secured by Pledge of Gross Revenues.
Section 7.04 Rates and Charges.
Section 7.05. Sale of the System.
Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances.
Section 7.07. Parity Bonds.
Section 7.08. Books; Records and Audit.
Section 7.09. Rates.
Section 7.10. Operating Budget and Monthly Financial Report.
Section 7.11. Engineering Services and Operating Personnel.
Section 7.12. No Competing Franchise.
Section 7.13. Enforcement of Collections.
Section 7.14. No Free Services.
Section 7.15. Insurance and Construction Bonds.
Section 7.16. Connections.
Section 7.17. Completion of Project; Permits and Orders.
Section 7.18. Compliance with Loan Agreement and Law.
Section 7.19. Statutory Mortgage Lien.
Section 7.20 Securities Law Compliance.
Section 7.21 Contracts; Change Orders; Public Releases.

ARTICLE VIII
INVESTMENT OF FUNDS; USE OF PROCEEDS

Section 8.01. Investments.
Section 8.02. Certificate and Covenants as to Use of Proceeds.

ARTICLE IX
DEFAULT AND REMEDIES

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

ARTICLE X
PAYMENT OF BONDS

Section 10.01. Payment of Series 2011 A Bonds.

ARTICLE XI
MISCELLANEOUS

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

SIGNATURES
CERTIFICATION

TOWN OF ROWLESBURG

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF ROWLESBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $825,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF ROWLESBURG:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. The Town of Rowlesburg (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Preston County of said State.

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the existing public waterworks facilities of the Issuer to construct additions and improvements to its waterworks distribution system, consisting of replacement of a large portion of the existing water distribution system and construction of a new water storage tank together with all necessary appurtenances (the "Project") (the existing public waterworks system of the Issuer, the Project and any further extensions, additions,

betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Recorder of the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund) in the total aggregate principal amount of not more than $825,000 as a single bond (the "Series 2011 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2011 A Bonds prior to and during acquisition and construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Account (as hereinafter defined) for the Series 2011 A Bonds; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority; discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2011 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2011 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2011 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the Council, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. The Issuer has the following outstanding obligations: (i) Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated October 13, 2006, issued in the original aggregate principal amount of $385,000 (the "Series 2006 A Bonds" or the "Prior Bonds").

The Series 2011 A Bonds shall be issued on a parity with the Prior Bonds. Prior to the issuance of the Series 2011 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2011 A Bonds on

a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Issuer's Prior Bonds and the Series 2011 A Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law, the Loan Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2011 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2011 A Bonds or such final order will not be subject to appeal.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2011 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2011 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2011 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means, collectively, the Series 2011 A Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Series 2011 A Bonds for all or a portion of the proceeds of the Series 2011 A Bonds from the Authority.

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

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

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

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

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

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

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

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

"Governing Body" means the Town 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.

"Grants" means any grants committed to the Project.

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

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

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

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2011 A Bonds, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2011 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2011 A Bonds Reserve Account.

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Authority), fiscal agents, the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally

accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

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

"Prior Bonds" means the Issuer's Series 2006 A Bonds.

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

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

"Qualified Investments" means and includes the following:

(a) Government Obligations;

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

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

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

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

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

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

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

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

"Recorder" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2011 A Bonds.

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

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

"Series 2006 A Bonds" means the Issuer's Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated October 13, 2006, issued in the original aggregate principal amount of $385,000.

"Series 2011 A Bonds" means the Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2011 A Bonds Construction Trust Fund" means the Series 2011 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2011 A Bonds Reserve Account" means the Series 2011 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2011 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2011 A Bonds in the then current or any succeeding year.

"Series 2011 A Bonds Sinking Fund" means the Series 2011 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2011 A Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2011 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2011 A Bonds, and not so included may be included in another Supplemental Resolution.

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

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

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

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

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

ARTICLE II

AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of not to exceed $2,755,000, of which a portion will be paid from proceeds of the Series 2011 A Bonds, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2011 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount compatible with the financing plan submitted to the Council and the Authority.

The cost of the project is estimated not to exceed $2,755,000, of which an amount not to exceed $825,000 will be obtained from the proceeds of the Series 2011 A Bonds; $525,000 will be obtained from a West Virginia Infrastructure Fund grant; $485,000 will be obtained from a United States

Environmental Protection Agency grant; and $920,000 will be obtained from a United States Department of Agriculture grant.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2011 A Bonds, funding the reserve account for the Series 2011 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2011 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2011 A Bonds of the Issuer. The Series 2011 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund)", in the principal amount of not more than $825,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2011 A Bonds remaining after funding of the Series 2011 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2011 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2011 A Bonds shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2011 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2011 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2011 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2011 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2011 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2011 A Bonds shall cease to be such officer of the Issuer before the Series 2011 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2011 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2011 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2011 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2011 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2011 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2011 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2011 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2011 A Bonds are exercised, all Series 2011 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2011 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2011 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost

of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2011 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2011 A Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2011 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2011 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2011 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2011 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2011 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2011 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2011 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2011 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2011 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinions of bond counsel on the Series 2011 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2011 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2011 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF ROWLESBURG
WATER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

$_____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2011, the Town of Rowlesburg, a municipal corporation and political subdivision of the State of West Virginia in Preston County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___ to and including _____ 1, 20___, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or

improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2011, and a Supplemental Resolution duly adopted by the Issuer on _____, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED OCTOBER 13, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $385,000 (THE "SERIES 2006 A BONDS" OR THE "PRIOR BONDS")

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2011 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that, so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for 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 by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument

of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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.

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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

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

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2011.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2011 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, and is hereby approved and incorporated in this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule for the Series 2011 A Bonds, the form of which will be provided by the Authority and the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Series 2011 A Bonds Construction Trust Fund.

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

(1) Series 2006 A Bonds Reserve Account (established by Prior Ordinance);

(2) Series 2011 A Bonds Sinking Fund; and

(3) Series 2011 A Bonds Reserve Account.

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

(1) The Issuer shall first, on the first day of each month, transfer from the Revenue Fund to the National Finance Office the amount required by the Prior Ordinance to pay interest on the Series 2006 A Bonds.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amount required by Prior Ordinance to pay principal on the Series 2006 A Bonds; and (ii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2011 A Bonds, for deposit in the Series 2011 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2011 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2011 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit for deposit in the reserve accounts for the Series 2006 A Bonds, the amounts required by the Prior Ordinance to be deposited therein; and (ii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2011 A Bonds, if not fully funded upon issuance of the Series 2011 A Bonds, for deposit in the Series 2011 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2011 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2011 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 2011 A Bonds Reserve Requirement.

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

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

Monies in the Series 2011 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2011 A Bonds, as the same shall become due. Monies in the Series 2011 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2011 A Bonds, as the same shall come due, when other monies in the Series 2011 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2011 A Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2011 A Bonds.

Any withdrawals from the Series 2011 A Bonds Reserve Account, which result in a reduction in the balance of such accounts to below the Reserve Requirements thereof, shall be restored from the first Gross Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2011 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2011 A Bonds Sinking Fund or the Series 2011 A Bonds Reserve Account when the aggregate amount of funds

therein are at least equal to the aggregate principal amount of the Series 2011 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2011 A 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 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2011 A Bonds under the conditions and restrictions set forth herein.

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

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2011 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.

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

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

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

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2011 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2011 A Bonds, there shall first be deposited with the Commission in the Series 2011 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2011 A Bonds for the period commencing on the date of issuance of the Series 2011 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2011 A Bonds, there shall be deposited with the Commission in the Series 2011 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2011 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2011 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2011 A Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2011 A Bonds.

D. After completion of the construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2011 A Bonds shall be expended as directed by the Council.

Section 6.02. Disbursements of Bond Proceeds. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2011 A Bonds from the Series 2011 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council of a certificate, signed by an Authorized Officer stating that:

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

(2) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(3) Each of such costs has been otherwise properly incurred; and

(4) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2011 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2011 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer, if applicable.

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 2011 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2011 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2011 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2011 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2011 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2011 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2011 A Bonds shall be secured by a first lien on the Gross Revenues derived from the System, on a parity with each other and with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Issuer enacted November 8, 2010 which rates are incorporated herein by reference as a part hereof.

So long as the Series 2011 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2011 A Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Loan Agreement.

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

So long as the Series 2011 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2011 A Bonds Sinking Fund, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the

Commission to apply such proceeds to the payment of principal of and interest on the Series 2011 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Series 2011 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Governing Body may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinance and this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the source fiscal year for such sales, leases or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2011 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2011 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2011 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2011 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2011 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2011 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

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

So long as the Series 2006 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 Ordinance then Outstanding; and

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2006 A Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2006 A Bonds are no longer Outstanding, the following requirement shall be met:

So long as the Series 2011 A Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity

Bonds, if any, shall not be less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

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

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

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

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

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance and the Prior Ordinance with respect to

the Bonds then Outstanding, and any other payments provided for in this Ordinance and the Prior Ordinance, shall have been made in full as required to the date of issuance of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinance.

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

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

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

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

The Issuer shall file with the Authority and the Council, or any other original purchaser of the Series 2011 A Bonds and shall mail in each year to any Holder or Holders of the Series 2011 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2011 A Bonds and shall submit the report to the Authority and the Council, or any other original purchaser of the Series 2011 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of test disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09.Rates. Prior to the issuance of the Series 2011 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2011 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2011 A Bonds including the Prior Bonds; provided that, in the event that, an

amount equal to or in excess of the Reserve Requirement is on deposit in the Series 2011 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2011 A Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2011 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2011 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

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

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

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

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

sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

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

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

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

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

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

subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders thereof.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2011 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling, or building intended to be served by the System to connect thereto.

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

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2011 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal and shall supply an opinion of counsel to such effect.

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

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

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2011 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2011 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

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

Section 7.21. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2011 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2011 A Bonds held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2011 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own 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 as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2011 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2011 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2011 A Bonds as a condition to issuance of the Series 2011 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2011 A Bonds as may be necessary in order to maintain the status of the Series 2011 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2011 A Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2011 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure

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

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2011 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2011 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2011 A Bonds; or

(2) If default occurs in the Issuer or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2011 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2011 A Bonds, and such default shall have continued for a period of 30 days after the Issuer or Issuer, as appropriate, shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Bondholder of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners or Bondholders including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Bondholders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2011 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

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

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2011 A Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2011 A Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2011 A 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 issuance of the Series 2011 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2011 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2011 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2011 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2011 A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2011 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2011 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2011 A Bonds.

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

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

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and

Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and members of the Governing Body and the Issuer were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Preston County Journal*, a qualified newspaper published and of general circulation in the Town of Rowlesburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2011 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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

Passed on First Reading:	May 9, 2011
Passed on Second Reading:	May 23, 2011
Passed on Final Reading Following Public Hearing:	June 27, 2011

Acting Mayor Kimberly Felton

5418604

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of the Town of Rowlesburg on the 27th day of June, 2011.

Dated: July 22, 2011.

[SEAL]

acting Bruce R. Simon
Recorder

5418604

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE TOWN OF ROWLESBURG; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING A BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the Town of Rowlesburg (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective June 27, 2011 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF ROWLESBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $825,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), of the Issuer, in the aggregate principal amount not to exceed $825,000 (the "Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

WHEREAS, the Governing Body deems it essential and desirable to appoint an Acting Mayor for matters relating to the Bonds; and

WHEREAS, the Governing Body deems it essential and desirable to appoint an Acting Recorder for matters relating to the Bonds;

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

Section 1. The Issuer does hereby appoint Kimberly Felton as Acting Mayor for matters relating to the Bonds.

Section 2. The Issuer does hereby appoint Bruce Simon as Acting Recorder for matters relating to the Bonds.

Section 3. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds,

Series 2011 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $525,000. The Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2051, and shall bear no interest. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2012, to and including June 1, 2051, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

Section 4. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 5. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 6. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar"), for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 7. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 8. The Issuer does hereby appoint and designate Clear Mountain Bank, Bruceton Mills, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 9. Series 2011 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2011 A Bonds Sinking Fund, as capitalized interest.

Section 10. Series 2011 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2011 A Bonds Reserve Account.

Section 11. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 2011 A Bonds Construction Trust Fund as received from the Council from time to time for payment of costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 12. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments 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 July 22, 2011, to the Authority pursuant to the Loan Agreement.

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

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

Section 15. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2011 A Bonds Sinking Fund, including the Series 2011 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 11th day of July, 2011.

Acting Mayor Kimberley Felton

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Rowlesburg on the 11th day of July, 2011.

Dated: July 22, 2011

[SEAL]

acting Bruce R. Simon
Recorder

07.06.11
780880.00004

IC-1
(08/09)

LOAN AGREEMENT

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

TOWN OF ROWLESBURG
(2009W-1085)

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and made all findings required by the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's loan program (the "Program") as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Governmental Agency and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "Council," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, acting in its administrative capacity pursuant to Section 10 of the Act and upon authorization from the Council.

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Department of Environmental Protection, or any successor thereto.

1.4 "Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Section 9 of the Act.

1.5 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.6 "Local Act" means the official action of the Governmental Agency required by Section 4.1 hereof, authorizing the Local Bonds.

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or

other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property or any interest therein is approved by the Authority and Council.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

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

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

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

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

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

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

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

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

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

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

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans from the Infrastructure Fund to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Infrastructure Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

(vii) That the Governmental Agency will not render any free services of the System;

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and

the Council, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

(xix) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Bonds, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the State's general obligation bonds or any bonds secured by the Local Bonds;

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

(xxii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

(xxiii) That the Governmental Agency shall submit all proposed change orders to the Council for written approval. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule B attached to the certificate of the Consulting Engineer. The Governmental Agency shall obtain the written approval of the Council before making any changes to the final Schedule B and also before expending any proceeds of the Local Bonds available due to bid/construction/project underruns;

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin,

sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

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

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

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

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

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

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the

Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the bonds which are the source of money used to purchase the Local Bonds, unless otherwise agreed to by the Council.

ARTICLE V

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

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

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

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

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

ARTICLE VII

Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency, if any, may be set forth in Schedule Z attached hereto and incorporated herein by reference, with the same effect as if contained in the text of this Loan Agreement.

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

7.3 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

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

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

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

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

7.8 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Department of Environmental Protection, Office of Abandoned Mine Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

TOWN OF ROWLESBURG

(SEAL)

By: Kimberly Fellin
Acting Its: Mayor
Date: July 22, 2011

Attest:

acting Brook Simon
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: July 22, 2011

Attest:

Carol A. Cummings
Its: Authorized Officer

{C2088047.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

_____

(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least ___years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm[1] has ascertained that all

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____,

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

Esq.] and delete "my firm has ascertained that".

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

2. The Loan Agreement inures to the benefit of the Authority and the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Governmental Agency without the consent of the Authority and the Council.

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____

Name of Bond Issue(s) _____

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

Fiscal Year _____ **Report Month** _____

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

_____

Name of Person Completing Form

_____

Address

_____

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $525,000
Purchase Price of Local Bonds $525,000

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

The Governmental Agency shall authorize the Commission to electronically debit its monthly payments. The Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

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

The Governmental Agency may prepay the Local Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Governmental Agency: Town of Rowlesburg Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated October 13, 2006, issued in the original aggregate principal amount of $385,000.

Number of New Customers to Be Served: 0
Location: N/A

SCHEDULE Y
DEBT SERVICE SCHEDULE

NET DEBT SERVICE
Town of Rowlesburg
IF
$525,000
0% Interest Rate
40 Years from the Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Net Debt Service
12/1/2012	3,388		3,388	338.80	3,726.80
3/1/2013	3,388		3,388	338.80	3,726.80
6/1/2013	3,388		3,388	338.80	3,726.80
9/1/2013	3,388		3,388	338.80	3,726.80
12/1/2013	3,388		3,388	338.80	3,726.80
3/1/2014	3,388		3,388	338.80	3,726.80
6/1/2014	3,388		3,388	338.80	3,726.80
9/1/2014	3,388		3,388	338.80	3,726.80
12/1/2014	3,388		3,388	338.80	3,726.80
3/1/2015	3,388		3,388	338.80	3,726.80
6/1/2015	3,388		3,388	338.80	3,726.80
9/1/2015	3,388		3,388	338.80	3,726.80
12/1/2015	3,388		3,388	338.80	3,726.80
3/1/2016	3,388		3,388	338.80	3,726.80
6/1/2016	3,387		3,387	338.80	3,725.80
9/1/2016	3,387		3,387	338.80	3,725.80
12/1/2016	3,387		3,387	338.80	3,725.80
3/1/2017	3,387		3,387	338.80	3,725.80
6/1/2017	3,387		3,387	338.80	3,725.80
9/1/2017	3,387		3,387	338.80	3,725.80
12/1/2017	3,387		3,387	338.80	3,725.80
3/1/2018	3,387		3,387	338.80	3,725.80
6/1/2018	3,387		3,387	338.80	3,725.80
9/1/2018	3,387		3,387	338.80	3,725.80
12/1/2018	3,387		3,387	338.80	3,725.80
3/1/2019	3,387		3,387	338.80	3,725.80
6/1/2019	3,387		3,387	338.80	3,725.80
9/1/2019	3,387		3,387	338.80	3,725.80
12/1/2019	3,387		3,387	338.80	3,725.80
3/1/2020	3,387		3,387	338.80	3,725.80
6/1/2020	3,387		3,387	338.80	3,725.80
9/1/2020	3,387		3,387	338.80	3,725.80
12/1/2020	3,387		3,387	338.80	3,725.80
3/1/2021	3,387		3,387	338.80	3,725.80
6/1/2021	3,387		3,387	338.80	3,725.80
9/1/2021	3,387		3,387	338.80	3,725.80
12/1/2021	3,387		3,387	338.80	3,725.80
3/1/2022	3,387		3,387	338.80	3,725.80
6/1/2022	3,387		3,387	338.80	3,725.80
9/1/2022	3,387		3,387	338.80	3,725.80
12/1/2022	3,387		3,387		3,387.00
3/1/2023	3,387		3,387		3,387.00
6/1/2023	3,387		3,387		3,387.00
9/1/2023	3,387		3,387		3,387.00
12/1/2023	3,387		3,387		3,387.00
3/1/2024	3,387		3,387		3,387.00
6/1/2024	3,387		3,387		3,387.00

NET DEBT SERVICE

Town of Rowlesburg

IF

$525,000

0% Interest Rate

40 Years from the Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Net Debt Service
9/1/2024	3,387		3,387		3,387.00
12/1/2024	3,387		3,387		3,387.00
3/1/2025	3,387		3,387		3,387.00
6/1/2025	3,387		3,387		3,387.00
9/1/2025	3,387		3,387		3,387.00
12/1/2025	3,387		3,387		3,387.00
3/1/2026	3,387		3,387		3,387.00
6/1/2026	3,387		3,387		3,387.00
9/1/2026	3,387		3,387		3,387.00
12/1/2026	3,387		3,387		3,387.00
3/1/2027	3,387		3,387		3,387.00
6/1/2027	3,387		3,387		3,387.00
9/1/2027	3,387		3,387		3,387.00
12/1/2027	3,387		3,387		3,387.00
3/1/2028	3,387		3,387		3,387.00
6/1/2028	3,387		3,387		3,387.00
9/1/2028	3,387		3,387		3,387.00
12/1/2028	3,387		3,387		3,387.00
3/1/2029	3,387		3,387		3,387.00
6/1/2029	3,387		3,387		3,387.00
9/1/2029	3,387		3,387		3,387.00
12/1/2029	3,387		3,387		3,387.00
3/1/2030	3,387		3,387		3,387.00
6/1/2030	3,387		3,387		3,387.00
9/1/2030	3,387		3,387		3,387.00
12/1/2030	3,387		3,387		3,387.00
3/1/2031	3,387		3,387		3,387.00
6/1/2031	3,387		3,387		3,387.00
9/1/2031	3,387		3,387		3,387.00
12/1/2031	3,387		3,387		3,387.00
3/1/2032	3,387		3,387		3,387.00
6/1/2032	3,387		3,387		3,387.00
9/1/2032	3,387		3,387		3,387.00
12/1/2032	3,387		3,387		3,387.00
3/1/2033	3,387		3,387		3,387.00
6/1/2033	3,387		3,387		3,387.00
9/1/2033	3,387		3,387		3,387.00
12/1/2033	3,387		3,387		3,387.00
3/1/2034	3,387		3,387		3,387.00
6/1/2034	3,387		3,387		3,387.00
9/1/2034	3,387		3,387		3,387.00
12/1/2034	3,387		3,387		3,387.00
3/1/2035	3,387		3,387		3,387.00
6/1/2035	3,387		3,387		3,387.00
9/1/2035	3,387		3,387		3,387.00
12/1/2035	3,387		3,387		3,387.00
3/1/2036	3,387		3,387		3,387.00

NET DEBT SERVICE

Town of Rowlesburg

IF

$525,000

0% Interest Rate

40 Years from the Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Net Debt Service
6/1/2036	3,387		3,387		3,387.00
9/1/2036	3,387		3,387		3,387.00
12/1/2036	3,387		3,387		3,387.00
3/1/2037	3,387		3,387		3,387.00
6/1/2037	3,387		3,387		3,387.00
9/1/2037	3,387		3,387		3,387.00
12/1/2037	3,387		3,387		3,387.00
3/1/2038	3,387		3,387		3,387.00
6/1/2038	3,387		3,387		3,387.00
9/1/2038	3,387		3,387		3,387.00
12/1/2038	3,387		3,387		3,387.00
3/1/2039	3,387		3,387		3,387.00
6/1/2039	3,387		3,387		3,387.00
9/1/2039	3,387		3,387		3,387.00
12/1/2039	3,387		3,387		3,387.00
3/1/2040	3,387		3,387		3,387.00
6/1/2040	3,387		3,387		3,387.00
9/1/2040	3,387		3,387		3,387.00
12/1/2040	3,387		3,387		3,387.00
3/1/2041	3,387		3,387		3,387.00
6/1/2041	3,387		3,387		3,387.00
9/1/2041	3,387		3,387		3,387.00
12/1/2041	3,387		3,387		3,387.00
3/1/2042	3,387		3,387		3,387.00
6/1/2042	3,387		3,387		3,387.00
9/1/2042	3,387		3,387		3,387.00
12/1/2042	3,387		3,387		3,387.00
3/1/2043	3,387		3,387		3,387.00
6/1/2043	3,387		3,387		3,387.00
9/1/2043	3,387		3,387		3,387.00
12/1/2043	3,387		3,387		3,387.00
3/1/2044	3,387		3,387		3,387.00
6/1/2044	3,387		3,387		3,387.00
9/1/2044	3,387		3,387		3,387.00
12/1/2044	3,387		3,387		3,387.00
3/1/2045	3,387		3,387		3,387.00
6/1/2045	3,387		3,387		3,387.00
9/1/2045	3,387		3,387		3,387.00
12/1/2045	3,387		3,387		3,387.00
3/1/2046	3,387		3,387		3,387.00
6/1/2046	3,387		3,387		3,387.00
9/1/2046	3,387		3,387		3,387.00
12/1/2046	3,387		3,387		3,387.00
3/1/2047	3,387		3,387		3,387.00
6/1/2047	3,387		3,387		3,387.00
9/1/2047	3,387		3,387		3,387.00
12/1/2047	3,387		3,387		3,387.00

NET DEBT SERVICE

Town of Rowlesburg

IF

$525,000

0% Interest Rate

40 Years from the Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Net Debt Service
3/1/2048	3,387		3,387		3,387.00
6/1/2048	3,387		3,387		3,387.00
9/1/2048	3,387		3,387		3,387.00
12/1/2048	3,387		3,387		3,387.00
3/1/2049	3,387		3,387		3,387.00
6/1/2049	3,387		3,387		3,387.00
9/1/2049	3,387		3,387		3,387.00
12/1/2049	3,387		3,387		3,387.00
3/1/2050	3,387		3,387		3,387.00
6/1/2050	3,387		3,387		3,387.00
9/1/2050	3,387		3,387		3,387.00
12/1/2050	3,387		3,387		3,387.00
3/1/2051	3,387		3,387		3,387.00
6/1/2051	3,388		3,388		3,388.00
	525,000		**525,000**	**13,552.00**	**538,552.00**

SCHEDULE Z

None.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

6/20/2011

Entered: May 31, 2011

CASE NO. 11-0218-W-CN

TOWN OF ROWLESBURG
Application for a certificate of convenience and necessity to replace a large portion of the existing water distribution system and to construct a new water storage tank and other associated upgrades.

RECOMMENDED DECISION

On February 14, 2011, the Town of Rowlesburg (Rowlesburg or Town), a municipally operated public water utility, filed an application with the Public Service Commission of West Virginia under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to replace a large portion of the existing water distribution system and to construct a new water storage tank and other associated upgrades. Rowlesburg estimated that the project will cost approximately $2,455,000, to be funded with a $920,000 grant from the United States Department of Agriculture Rural Utilities Service (RUS); a $485,000 grant from the United States Environmental Protection Agency (EPA); a $525,000 grant from the West Virginia Infrastructure and Jobs Development Council (IJDC); and a $525,000 loan from the IJDC bearing 0% interest over a 38-year term. Since the project will require a rate increase, the Town has enacted a rate ordinance that became effective on December 23, 2010, to cover the additional revenues needed for the project.

On February 14, 2011, the Commission required that the Town publish the Notice of Filing once in a newspaper duly qualified under *Code* §59-3-1, *et seq.*, published and generally circulated in Preston County, providing a 30-day protest period. The Notice of Filing also provided that, if no substantial protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application.

By the Referral Order entered on February 22, 2011, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before June 29, 2011, if substantial protest was not filed, or by July 29, 2011, if the matter was substantially protested.

On March 14, 2011, Staff Attorney Ronald E. Robertson, Jr., filed the Initial Joint Staff Memorandum, attaching the March 11, 2011 Initial Memorandum prepared by Staff Engineer

Jonathan Fowler, P.E., Engineering Division, and Utilities Analyst James Boggess, Utilities Division, indicating that, upon completing its investigation of the application, Commission Staff would submit a final substantive recommendation within the Commission's prescribed time frame.

By Procedural Order issued on March 14, 2011, as corrected on March 15, 2011, the Administrative Law Judge adopted a procedural schedule to process and resolve this matter, thereby requiring that Rowlesburg immediately file a publication affidavit showing compliance with the notice requirement contained in the February 22, 2011 Order.

On March 21, 2011, the Town filed a certificate of publication indicating that the Notice of Filing was published on February 23, 2011, in *The Preston Journal*, a newspaper published and generally circulated in Preston County.

No one protested the application within the 30-day protest period or as of the date of the entry of this Recommended Decision.

On May 11, 2011, Staff Attorney Robertson filed the Final Joint Staff Memorandum, attaching the May 3, 2011 Engineering Division and Utilities Division Final Recommendations, prepared by Mr. Fowler and Mr. Boggess. Together, these Memoranda comprise Commission Staff's final substantive recommendation in this matter. The Town owns and operates a water treatment and distribution system serving approximately 262 residential and small commercial customers along the Cheat River and providing water for the Town of Tunnelton (Tunnelton), a resale customer. The project is comprised of two phases. Phase I, which included extending service to Tunnelton, was approved in Case No. 08-0772-W-CN and certificates of substantial completion for Phase I were filed on March 22, 2010. Phase II includes the installation of approximately 2.8 miles of mainlines and other necessary appurtenances, approximately 35 new valves, approximately 10 fire hydrants and a new 105,000-gallon storage tank, and repainting an existing tank and will extend service to approximately 130 new customers. The project also includes various improvements to the existing treatment and distribution system, including the installation of an altitude valve and various telemetry system components to enhance monitoring and controlling the distribution system.

The project will cost approximately $2,455,000, to be funded with a $920,000 RUS grant; a $485,000 EPA grant; a $525,000 IJDC grant; and a $525,000 IJDC loan bearing 0% interest over a 40-year term. However, the project has not been bid and the cost could change, which could cause Rowlesburg to either obtain additional funding or reduce the scope of the project. The engineering fees are within the customary range for such projects and within the acceptable range of the IJDC. The project will cost approximately $9,334 per customer, which Staff opined is reasonable, and will be financed primarily with grants, which reduces the debt service compared to loan-financed projects.

The project will replace much of Rowlesburg's existing water system, which has approximately 55% unaccounted-for water. The current system cannot meet peak demands. The new customers do not have a suitable potable water supply. Rowlesburg considered several alternatives and Staff believes that the proposed project is the appropriate alternative. Staff found no apparent

violations of the *Water Rules* in the plans and specifications. Staff recommended approving the project without specifically approving the plans and specifications, since Staff's review is limited. The West Virginia Bureau for Public Health (BPH) granted Permit No. 18,646 on August 30, 2010, for the project. The West Virginia Division of Highways (DOH) has also approved the use of required rights-of-way for the project. Rowlesburg must obtain all required permits, lands, rights-of-way and regulatory approvals prior to commencing construction.

While the project will increase debt service coverage requirements by approximately $13,816 for principal payments, plus 10% of principal payments into a bond reserve account until the account has been funded with a minimum of one year of debt and 2.5% of operating revenues into a renewal and replacement fund, after operation and maintenance (O&M) expenses have been paid, the debt service coverage ratio will still be approximately 146%, well above the 115% coverage required by the bond. In addition, the Town passed an ordinance that provides an across-the-board 5% rate increase for all service rendered on and after December 23, 2010, which will produce an additional $6,223 in revenues.

In summary, Staff opined that all requirements of *Code* §24-2-11 have been met and recommended that the Commission grant the application. Staff also recommended that, if the plans or scope of the project changes, Rowlesburg must obtain separate Commission approval prior to commencing construction. If rates remain unchanged, as certified by a certified public accountant, since the project has been approved by the IJDC, the Town would not have to obtain separate approval of changes in costs or financing. The Town mush furnish the Commission with a copy of the engineer's certified tabulation of bids within 10 days of opening the bids and furnish a copy of the certificate of substantial completion within 10 days of the date the certificate is issued.

The Executive Secretary served a copy of Staff's final substantive recommendation on Rowlesburg on May 11, 2011, with a cover letter notifying Rowlesburg that, unless it responded within ten days, the Commission may enter a final order disposing of the proceeding without further notice or hearing.

No one responded to Commission Staff's final substantive recommendation.

DISCUSSION

Having considered all of the above, since no dispute remains to be resolved in this proceeding, the ALJ will consider the parties to have waived their rights under *West Virginia Code* §24-1-9(b) to file proposed findings of fact and conclusions of law, or briefs, in this proceeding, or to a hearing.

The ALJ holds that, since the Town gave proper notice to the public of the application; since the approximately 130 customers to be added by the project have no public water supply; since the project will address Rowlesburg's 55% unaccounted-for water; since the BPH has issued Permit No. 18,646, certifying the project for construction and signifying that the project has been designed in accordance with current engineering practice; and since Staff has recommended that the Commission

approve the application, the public convenience and necessity require the project and the certificate application will be granted. The Town's existing rates are sufficient to cover the additional O&M expenses generated by the project and the debt service required by the proposed funding. The ALJ will approve the proposed financing for the project since letters of commitment for the financing were included with the application. Since the IJDC has approved the project for funding, the ALJ will require that the Town seek prior Commission approval before commencing construction should the plans or the scope of the project change or should the rates change. However, a change in project cost or financing would not require separate approval if such change does not affect rates and the Town submits an affidavit from a certified public accountant to this effect.

FINDINGS OF FACT

1. The Town of Rowlesburg filed an application with the Public Service Commission under *West Virginia Code* §24-2-11 for a certificate of public convenience and necessity to replace a large portion of the existing water distribution system and to construct a new water storage tank and other associated upgrades. The project will also extend service to approximately 130 additional customers. (See, application filed February 14, 2011).

2. The Town estimated that the project would cost approximately $2,455,000, to be funded with a $920,000 RUS grant; a $485,000 EPA grant; a $525,000 IJDC grant; and a $525,000 IJDC loan bearing 0% interest over a 40-year term. (See, application filed February 14, 2011).

3. The Town caused a copy of the Notice of Filing to be published on February 23, 2011, in *The Preston Journal*, providing a 30-day protest period. (See, publication affidavit filed on March 21, 2011).

4. No one protested the application. (See, Commission's file).

5. The Town owns and operates a water treatment and distribution system serving approximately 262 residential and small commercial customers along the Cheat River and providing water for Tunnelton, a resale customer. The project is comprised of two phases. Phase I, which included extending service to Tunnelton, was approved in Case No. 08-0772-W-CN and certificates of substantial completion for Phase I were filed on March 22, 2010. Phase II includes the installation of approximately 2.8 miles of mainlines, approximately 35 new valves, approximately 10 fire hydrants, a new 105,000-gallon storage tank, and other necessary appurtenances and repainting an existing tank, and will extend service to approximately 130 new customers. The project also includes various improvements to the existing treatment and distribution system, including the installation of an altitude valve and various telemetry system components to enhance monitoring and controlling the distribution system. (See, Final Joint Staff Memorandum, with attachments, filed on May 11, 2011).

6. The engineering fees are within the customary range for such projects and within the acceptable range of the IJDC, which has approved the project. The project will cost approximately $9,334 per customer, which Staff opined is reasonable, and will be financed primarily with grants,

which reduces the debt service compared to loan-financed projects. (See, Final Joint Staff Memorandum, with attachments, filed on May 11, 2011).

7. The project will replace much of Rowlesburg's existing water system, which has approximately 55% unaccounted-for water. The current system cannot meet peak demands. The new customers do not have a suitable potable water supply. Rowlesburg considered several alternatives and Staff believes that the proposed project is the appropriate alternative. Staff found no apparent violations of the *Water Rules* in the plans and specifications. (See, Final Joint Staff Memorandum, with attachments, filed on May 11, 2011).

8. Staff recommended approving the project without specifically approving the plans and specifications. (See, Final Joint Staff Memorandum, with attachments, filed on May 11, 2011).

9. The West Virginia Bureau for Public Health (BPH) granted Permit No. 18,646 on August 30, 2010, for the project. The West Virginia Division of Highways (DOH) has also approved the use of required rights-of-way for the project. (See, Final Joint Staff Memorandum, with attachments, filed on May 11, 2011).

10. Rowlesburg's existing rates will cover all O&M expenses and additional debt service attributable to the project and provide a debt service coverage ratio of approximately 146%, well above the 115% coverage required by the bond. In addition, the Town passed an ordinance that provides an across-the-board 5% rate increase for all service rendered on and after December 23, 2010, which will produce an additional $6,223 in revenues. (See, Final Joint Staff Memorandum, with attachments, filed on May 11, 2011).

11. Staff recommended that the Commission grant the application. (See, Final Joint Staff Memorandum, with attachments, filed on May 11, 2011).

12. Staff also recommended that, if the plans or scope of the project changes, Rowlesburg must obtain separate Commission approval prior to commencing construction. If rates remain unchanged, as certified by a certified public accountant, since the project has been approved by the IJDC, the Town would not have to obtain separate approval of changes in costs or financing. The Town mush furnish the Commission with a copy of the engineer's certified tabulation of bids within 10 days of opening the bids and furnish a copy of the certificate of substantial completion within 10 days of the date the certificate is issued. (See, Final Joint Staff Memorandum, with attachments, filed on May 11, 2011).

13. The Executive Secretary served a copy of Staff's final substantive recommendation with a cover letter notifying Rowlesburg that, unless it responded within ten days, the Commission may enter a final order without further notice or hearing. (See, May 11, 2011 letter from the Executive Secretary).

14. No one responded to Commission Staff's final substantive recommendation. (See, Commission's file).

CONCLUSIONS OF LAW

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

2. The proposed financing for the project should be approved.

3. The Town's existing rates are sufficient, but not more than sufficient, to support the proposed project.

5. Should the scope, plans or financing for the project change, the Town must obtain prior Commission approval before commencing construction. Changes in project costs or financing do not require separate approval if those changes do not affect rates and the Town submits an affidavit from a certified public accountant to this effect.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on February 14, 2011, by the Town of Rowlesburg pursuant to *West Virginia Code* §24-2-11 to replace a large portion of the existing water distribution system and to construct a new water storage tank and other associated upgrades and mainline extensions to serve approximately 130 additional customers, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, comprised of a $920,000 United States Department of Agriculture Rural Utilities Service grant; a $485,000 United States Environmental Protection Agency grant; a $525,000 West Virginia Infrastructure and Jobs Development Council grant; and a $525,000 West Virginia Infrastructure and Jobs Development Council loan bearing 0% interest over a 40-year term, be, and hereby is, approved.

IT IS FURTHER ORDERED that, should the scope, plans or financing for the project change, the Town of Rowlesburg obtain prior Commission approval before commencing construction. Changes in project cost or financing do not require separate approval if those changes do not affect rates and the Town submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that the Town of Rowlesburg submit a copy of the certified tabulation of bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that the Town of Rowlesburg notify the Commission when the project engineer has performed the substantial completion inspection and file the certificate of substantial completion with the Commission as soon as it is issued.

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

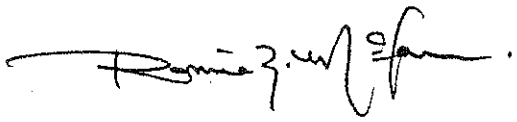
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

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

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

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

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



Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
110218ab.wpd

Sheila Kae Williams
ATTORNEY AT LAW

GARDEN TOWERS, SUITE 314
202 TUNNELTON STREET
Kingwood, West Virginia 26537

(304) 329-1173
(304) 329-1203 FAX

March 17, 2011

Public Service Commission
of West Virginia
P. O. Box 812
201 Brooks Street
Charleston, WV 25323
ATTN: Sandra Squire
Executive Secretary

11:34 AM MAR 21 2011 PSC EXEC SEC DIV

Re: Town of Rowlesburg
Case No. 11-0218-W-CN

Dear Ms. Squire:

Enclosed please find the original certificate of publication for Form 14 together with 12 copies thereof and the original return receipt postcard for certified service on the resale customer, Town of Tunnelton, together with 12 copies thereof.

Your kind attention to the filing of the enclosed documents is appreciated.

Very truly yours,

Sheila Kae Williams

Sheila Kae Williams
State Bar No. 4069

encl.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 11-0218-W-CN
TOWN OF ROWLESBURG
Application for a certificate of convenience and necessity to replace a large portion of the existing water distribution system and to construct a new water storage tank and other associated upgrades.

NOTICE OF FILING

On February 14, 2011, the Town of Rowlesburg (Town) filed a verified application for a certificate of convenience and necessity to replace a large portion of the existing water distribution system and to construct a new 105,000 gallon water storage tank and other associated upgrades, all as improvements to the water system in theTown of Rowlesburg, Preston County, West Virginia.

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

The Town estimates that construction will cost approximately $2,455,000.00. It is proposed that the construction will be financed as follows: USDR-RUS grant of $920,000.00; US EPA grant of $485,000.00; WVIJDC grant of $525,000.00; and WVIJDC loan (0%, 38 years) of $525,000.00

The Town anticipates charging the following increased water rates for its customers as adopted by ordinance that became effective on December 23, 2010:

RATES

Town of Rowlesburg direct sales:

Number of Gallons/Month	Rate
First 2,000 gallons	$14.96 per 1,000 gallons
Next 3,000 gallons	$5.88 per 1,000 gallons
Next 5,000 gallons	$4.37 per 1,000 gallons
Next 10,000 gallons	$3.68 per 1,000 gallons
Next 20,000 gallons	$2.81 per 1,000 gallons
Over 40,000 gallons	$2.35 per 1,000 gallons

MINIMUM BILL

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

5/8 inch or less	$29.96	per month
3/4 inch meter, or less	$32.33	per month
1 inch meter	$74.37	per month
2 inch meter	$237.98	per month
3 inch meter	$447.38	per month
4 inch meter	$745.92	per month

The monthly Minimum Bill shall be $29.96 per month.

DELAYED PAYMENT PENALTY

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

WATER CONNECTION CHARGE (TAP FEE)

A charge of $250.00 will be made for every new subscriber requiring a new connection where the meter is one inch or less in size.

Where new connections involve meters larger than one inch, the new connection will be $300.00 or actual cost, whichever is greater.

RECONNECTION SERVICE CHARGE

(a) Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills, or fraudulent use of water, a reconnection charge in the amount of Twenty Dollars ($20.00) shall be paid as tariff for reconnecting service.

(b) If service is discontinued at the request of a customer, the Town of Rowlesburg may refuse service to such customer, at the same premises, within eight (8) months, unless the Town shall first receive payment in the amount of Twenty Dollars ($20.00) as a tariff for reconnecting services.

RETURNED CHECK CHARGE

If a check received is returned by the bank for any reason, the bank's charge to the Town shall be the Town's charge to the customer for such a bad check, but such charge to the customer shall not exceed $20.00.

LEAK ADJUSTMENT INCREMENT

$0.85 per 1000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate is used to calculate consumption above the customer's historical average usage.

These rates represent the following project-related increases that became effective pursuant to municipal ordinance.

	($) INCREASE	(%) INCREASE
Residential	$1.44	5%

This rate increase related to the project will produce approximately $6,223.00 annually in additional revenue.

This is a rate increase due to the construction project. The project has grant and loan funds and the prior rates did not support the loan payments which will be incurred in constructing the new waterlines and water tank. **These rate changes were enacted by the Town following the municipal ordinance procedures.**

The Town has one resale customer - Town of Tunnelton. There is no increase for the resale customer.

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.

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

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

# of Publication

I, **Carol Peters,** the undersigned Advertising Manager of The Preston County Journal, a weekly newspaper of general circulation, published at Kingwood, Preston County, West Virginia, do hereby certify that
the notice

Water Rates

a copy of which notice is hereto annexed, was published in said paper for One successive weeks, beginning with its issue of 2/23/11

and expiring with its issue of 2/23/11

And, I do further certify that on 2/23/11

I posted and left posted, a copy of said notice at the front door of the Courthouse of said county.

Carol Peters
ADVERTISING MANAGER

Subscribed and sworn to before me this the 23rd day of February, 20 11

Dennis E. Peters
NOTARY PUBLIC

My commission expires 6/29/2014

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DENNIS E. PETERS
110 WEST MAIN ST.
KINGWOOD, WV 26537
My commission expires June 29, 2014

od, WV _____

: for publishing notice hereto $ _____

ADVERTISING MANAGER

WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

Kenneth Lowe, Jr.
Public Member

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Angela K. Chestnut
Executive Director

Barbara J. Pauley
Administrative Secretary

May 12, 2009

The Honorable Barbara Banister
Town of Rowlesburg
P.O. Box 458
42 Poplar Street
Rowlesburg, WV 26425

Re: Town of Rowlesburg
Water Project 2009W-1085

Dear Mayor Banister:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the Town of Rowlesburg's (Town) preliminary application to upgrade an existing water distribution system (Project).

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

Upon consideration of the preliminary application, the Council recommends that the Town pursue a $450,000 Rural Utility Service grant and appears eligible for a $525,000 Infrastructure Fund loan (0%, 40 years) and a $525,000 Infrastructure Fund grant, pending final determination of the project's eligibility and readiness to proceed, to fund this $2,915,000 project. Please contact the Rural Utility Service office at (304) 636-2158 for specific information on the steps the Town needs to follow to apply for these funds. **Please note that his letter is not a commitment of Infrastructure Funds.** The Project will be placed on the Council's pending list of projects.

If you have any questions regarding this matter, please contact the Angela Chestnut at (304) 558-4607 (Ext. 201).

Sincerely,

Kenneth Lowe, Jr.

Enclosure

cc: Bob Decrease, P.E., BPH (w/o enclosure) (via e-mail)
Joe Crickenberger, RUS (w/o enclosure) (via e-mail)
Region VI Planning & Development Council
Clay Riley, P.E., Thrasher Engineering, Inc.

300 Summers Street, Suite 980 • Charleston, WV 25301 • Phone (304) 558-4607 • Fax (304) 558-4609

www.wvinfrastructure.com

WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Earl Ray Tomblin
Chairman

Kenneth Lowe, Jr.
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Louis R. Spatafore
Public Member

Joseph Freeland
Public Member

James W. Ellars, P.E.
Executive Director

Barbara J. Pauley
Administrative Secretary

January 7, 2011

The Honorable Barbara Banister
Mayor, Town of Rowlesburg
P.O. Box 458
42 Poplar Street
Rowlesburg, WV 26425

Re: Town of Rowlesburg (Phase II)
2009W-1085 Binding Commitment
(Action Required by January 31, 2011)

Dear Mayor Banister:

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) provides this binding offer of an Infrastructure Fund loan of approximately $525,000 (Loan) and an Infrastructure Fund grant of approximately $525,000 (Grant) to the Town of Rowlesburg (Town) for the above referenced water project (Project). The Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amounts will be established after the Town has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan and Grant upon the Town's compliance with the program requirements.

If the Town has any questions regarding this commitment, please contact James W. Ellars at 304-558-4607 (X201).

Sincerely,

Kenneth Lowe, Jr.

Attachment

cc: Bob Decrease, P.E., BPH *(via e-mail)*
Clay Riley, P.E., Thrasher Engineering, Inc. *(via e-mail)*
Samme Gee, Esq., Jackson Kelly *(via e-mail)*

180 Association Drive • Charleston, WV 25311 • Phone (304) 558-4607 • Fax (304) 558-4609

www.wvinfrastructure.com

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

TOWN OF ROWLESBURG

By: _____

Its: _____

Date: _____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Town of Rowlesburg
Water Project 2009W-1085

SCHEDULE A

A. Approximate Amount:

$ 525,000	Loan
525,000	Grant
$1,050,000	Total

B. Loan: $525,000

1. Maturity Date: 40 years from date of closing.
2. Interest Rate: 0%
3. Loan Advancement Date(s): Monthly, upon receipt of proper requisition.
4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.

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

C. Grant: $525,000

5. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after advancement of all Loan funding.
6. Special Conditions: None

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

D. Other Funding:

RUS grant	$ 920,000
US EPA grant	485,000

E. Total Project Cost: $2,455,000

F. Proposed User Rates: Approximately $42.54 / 4000 gallons

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On this 22nd day of July, 2011, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the Town of Rowlesburg (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the entire original issue of $525,000 principal amount of the Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), issued as a single, fully registered Bond, numbered AR-1, and dated July 22, 2011.

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

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the sum of $66,175, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first above written.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative

TOWN OF ROWLESBURG

By: Kimberly Fulton
Acting Its: Mayor

07.06.11
780880.00004

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this 22nd day of July, 2011, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Town of Rowlesburg Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), in the principal amount of $525,000, dated July 22, 2011 (the "Bonds"), executed by the Mayor and the Recorder of the Town of Rowlesburg (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on June 27, 2011, and a Supplemental Resolution duly adopted by the Issuer on July 11, 2011 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the loan agreement dated July 22, 2011 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council; and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of $66,175, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the date first written above.

TOWN OF ROWLESBURG

By: Kimberly Felton
Acting Its: Mayor

07.06.11
780880.00004

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
TOWN OF ROWLESBURG
WATER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $525,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 22nd day of July, 2011, the Town of Rowlesburg, a municipal corporation and political subdivision of the State of West Virginia in Preston County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of FIVE HUNDRED TWENTY-FIVE THOUSAND DOLLARS ($525,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2012 to and including June 1, 2051, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated July 22, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended

(collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on June 27, 2011, and a Supplemental Resolution duly adopted by the Issuer on July 11, 2011 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED OCTOBER 13, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $385,000 (THE "SERIES 2006 A BONDS" OR THE "PRIOR BONDS")

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the monies in the Series 2011 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that, so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for 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 by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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.

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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

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

[SEAL]

SPECIMEN

Kimberly Allen

Acting Mayor

ATTEST:

SPECIMEN

Bruce R Jones

acting Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: July 22, 2011.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $66,175	07.22.11	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

NET DEBT SERVICE

Town of Rowlesburg

IF

$525,000

0% Interest Rate

40 Years from the Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Net Debt Service
12/1/2012	3,388		3,388	338.80	3,726.80
3/1/2013	3,388		3,388	338.80	3,726.80
6/1/2013	3,388		3,388	338.80	3,726.80
9/1/2013	3,388		3,388	338.80	3,726.80
12/1/2013	3,388		3,388	338.80	3,726.80
3/1/2014	3,388		3,388	338.80	3,726.80
6/1/2014	3,388		3,388	338.80	3,726.80
9/1/2014	3,388		3,388	338.80	3,726.80
12/1/2014	3,388		3,388	338.80	3,726.80
3/1/2015	3,388		3,388	338.80	3,726.80
6/1/2015	3,388		3,388	338.80	3,726.80
9/1/2015	3,388		3,388	338.80	3,726.80
12/1/2015	3,388		3,388	338.80	3,726.80
3/1/2016	3,388		3,388	338.80	3,726.80
6/1/2016	3,387		3,387	338.80	3,725.80
9/1/2016	3,387		3,387	338.80	3,725.80
12/1/2016	3,387		3,387	338.80	3,725.80
3/1/2017	3,387		3,387	338.80	3,725.80
6/1/2017	3,387		3,387	338.80	3,725.80
9/1/2017	3,387		3,387	338.80	3,725.80
12/1/2017	3,387		3,387	338.80	3,725.80
3/1/2018	3,387		3,387	338.80	3,725.80
6/1/2018	3,387		3,387	338.80	3,725.80
9/1/2018	3,387		3,387	338.80	3,725.80
12/1/2018	3,387		3,387	338.80	3,725.80
3/1/2019	3,387		3,387	338.80	3,725.80
6/1/2019	3,387		3,387	338.80	3,725.80
9/1/2019	3,387		3,387	338.80	3,725.80
12/1/2019	3,387		3,387	338.80	3,725.80
3/1/2020	3,387		3,387	338.80	3,725.80
6/1/2020	3,387		3,387	338.80	3,725.80
9/1/2020	3,387		3,387	338.80	3,725.80
12/1/2020	3,387		3,387	338.80	3,725.80
3/1/2021	3,387		3,387	338.80	3,725.80
6/1/2021	3,387		3,387	338.80	3,725.80
9/1/2021	3,387		3,387	338.80	3,725.80
12/1/2021	3,387		3,387	338.80	3,725.80
3/1/2022	3,387		3,387	338.80	3,725.80
6/1/2022	3,387		3,387	338.80	3,725.80
9/1/2022	3,387		3,387	338.80	3,725.80
12/1/2022	3,387		3,387		3,387.00
3/1/2023	3,387		3,387		3,387.00
6/1/2023	3,387		3,387		3,387.00
9/1/2023	3,387		3,387		3,387.00
12/1/2023	3,387		3,387		3,387.00
3/1/2024	3,387		3,387		3,387.00
6/1/2024	3,387		3,387		3,387.00

NET DEBT SERVICE
Town of Rowlesburg
IF
$525,000
0% Interest Rate
40 Years from the Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Net Debt Service
9/1/2024	3,387		3,387		3,387.00
12/1/2024	3,387		3,387		3,387.00
3/1/2025	3,387		3,387		3,387.00
6/1/2025	3,387		3,387		3,387.00
9/1/2025	3,387		3,387		3,387.00
12/1/2025	3,387		3,387		3,387.00
3/1/2026	3,387		3,387		3,387.00
6/1/2026	3,387		3,387		3,387.00
9/1/2026	3,387		3,387		3,387.00
12/1/2026	3,387		3,387		3,387.00
3/1/2027	3,387		3,387		3,387.00
6/1/2027	3,387		3,387		3,387.00
9/1/2027	3,387		3,387		3,387.00
12/1/2027	3,387		3,387		3,387.00
3/1/2028	3,387		3,387		3,387.00
6/1/2028	3,387		3,387		3,387.00
9/1/2028	3,387		3,387		3,387.00
12/1/2028	3,387		3,387		3,387.00
3/1/2029	3,387		3,387		3,387.00
6/1/2029	3,387		3,387		3,387.00
9/1/2029	3,387		3,387		3,387.00
12/1/2029	3,387		3,387		3,387.00
3/1/2030	3,387		3,387		3,387.00
6/1/2030	3,387		3,387		3,387.00
9/1/2030	3,387		3,387		3,387.00
12/1/2030	3,387		3,387		3,387.00
3/1/2031	3,387		3,387		3,387.00
6/1/2031	3,387		3,387		3,387.00
9/1/2031	3,387		3,387		3,387.00
12/1/2031	3,387		3,387		3,387.00
3/1/2032	3,387		3,387		3,387.00
6/1/2032	3,387		3,387		3,387.00
9/1/2032	3,387		3,387		3,387.00
12/1/2032	3,387		3,387		3,387.00
3/1/2033	3,387		3,387		3,387.00
6/1/2033	3,387		3,387		3,387.00
9/1/2033	3,387		3,387		3,387.00
12/1/2033	3,387		3,387		3,387.00
3/1/2034	3,387		3,387		3,387.00
6/1/2034	3,387		3,387		3,387.00
9/1/2034	3,387		3,387		3,387.00
12/1/2034	3,387		3,387		3,387.00
3/1/2035	3,387		3,387		3,387.00
6/1/2035	3,387		3,387		3,387.00
9/1/2035	3,387		3,387		3,387.00
12/1/2035	3,387		3,387		3,387.00
3/1/2036	3,387		3,387		3,387.00

NET DEBT SERVICE

Town of Rowlesburg

IF

$525,000

0% Interest Rate

40 Years from the Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Net Debt Service
6/1/2036	3,387		3,387		3,387.00
9/1/2036	3,387		3,387		3,387.00
12/1/2036	3,387		3,387		3,387.00
3/1/2037	3,387		3,387		3,387.00
6/1/2037	3,387		3,387		3,387.00
9/1/2037	3,387		3,387		3,387.00
12/1/2037	3,387		3,387		3,387.00
3/1/2038	3,387		3,387		3,387.00
6/1/2038	3,387		3,387		3,387.00
9/1/2038	3,387		3,387		3,387.00
12/1/2038	3,387		3,387		3,387.00
3/1/2039	3,387		3,387		3,387.00
6/1/2039	3,387		3,387		3,387.00
9/1/2039	3,387		3,387		3,387.00
12/1/2039	3,387		3,387		3,387.00
3/1/2040	3,387		3,387		3,387.00
6/1/2040	3,387		3,387		3,387.00
9/1/2040	3,387		3,387		3,387.00
12/1/2040	3,387		3,387		3,387.00
3/1/2041	3,387		3,387		3,387.00
6/1/2041	3,387		3,387		3,387.00
9/1/2041	3,387		3,387		3,387.00
12/1/2041	3,387		3,387		3,387.00
3/1/2042	3,387		3,387		3,387.00
6/1/2042	3,387		3,387		3,387.00
9/1/2042	3,387		3,387		3,387.00
12/1/2042	3,387		3,387		3,387.00
3/1/2043	3,387		3,387		3,387.00
6/1/2043	3,387		3,387		3,387.00
9/1/2043	3,387		3,387		3,387.00
12/1/2043	3,387		3,387		3,387.00
3/1/2044	3,387		3,387		3,387.00
6/1/2044	3,387		3,387		3,387.00
9/1/2044	3,387		3,387		3,387.00
12/1/2044	3,387		3,387		3,387.00
3/1/2045	3,387		3,387		3,387.00
6/1/2045	3,387		3,387		3,387.00
9/1/2045	3,387		3,387		3,387.00
12/1/2045	3,387		3,387		3,387.00
3/1/2046	3,387		3,387		3,387.00
6/1/2046	3,387		3,387		3,387.00
9/1/2046	3,387		3,387		3,387.00
12/1/2046	3,387		3,387		3,387.00
3/1/2047	3,387		3,387		3,387.00
6/1/2047	3,387		3,387		3,387.00
9/1/2047	3,387		3,387		3,387.00
12/1/2047	3,387		3,387		3,387.00

NET DEBT SERVICE

Town of Rowlesburg

IF

$525,000

0% Interest Rate

40 Years from the Closing Date

Date	Principal	Interest	Total Debt Service	Reserve Fund	Net Debt Service
3/1/2048	3,387		3,387		3,387.00
6/1/2048	3,387		3,387		3,387.00
9/1/2048	3,387		3,387		3,387.00
12/1/2048	3,387		3,387		3,387.00
3/1/2049	3,387		3,387		3,387.00
6/1/2049	3,387		3,387		3,387.00
9/1/2049	3,387		3,387		3,387.00
12/1/2049	3,387		3,387		3,387.00
3/1/2050	3,387		3,387		3,387.00
6/1/2050	3,387		3,387		3,387.00
9/1/2050	3,387		3,387		3,387.00
12/1/2050	3,387		3,387		3,387.00
3/1/2051	3,387		3,387		3,387.00
6/1/2051	3,388		3,388		3,388.00
	525,000		**525,000**	**13,552.00**	**538,552.00**

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

July 22, 2011

Town of Rowlesburg
Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

Town of Rowlesburg
Rowlesburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Rowlesburg (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $525,000 Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated July 22, 2011, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2012, to and including June 1, 2051, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 19 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public water system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on June 27, 2011, as supplemented by a Supplemental Resolution duly adopted by

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the Issuer on July 11, 2011 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Gross Revenues of the System on a parity with the Issuer's Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated October 13, 2006, issued in the original aggregate principal amount of $385,000 (the "Series 2006 A Bonds" or the "Prior Bonds").

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and 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 their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

STEPTOE & JOHNSON PLLC

07.06.11
780880.00004

Sheila Kae Williams
ATTORNEY AT LAW

GARDEN TOWERS, SUITE 314
202 TUNNELTON STREET
Kingwood, West Virginia 26537

(304) 329-1173
(304) 329-1203 FAX

July 22, 2011

Town of Rowlesburg
Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

Town of Rowlesburg
Rowlesburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the Town of Rowlesburg in Preston County, West Virginia (the "Issuer"), in connection with the above-captioned bond issue. As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement dated July 22, 2011, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a Bond Ordinance duly enacted by the Issuer on June 27, 2011, as supplemented by a Supplemental Resolution duly adopted by the Issuer on July 11,2011 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, Recorder and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the

requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

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

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

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

5. The Issuer has received all permits, licenses, approvals, exemptions, consents, registrations, certificates and authorizations required by law for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Bureau for Public Health, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of ordinances prescribing such rates and charges. The time for appeal of such rate ordinances has expired prior to the date hereof without any appeal.

6. The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on May 31, 2011, which became Final Order on June 20, 2011, in Case No. 11-0218-W-CN, granting 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 Final Order has expired prior to the date hereof. Such Order remains in full force and effect.

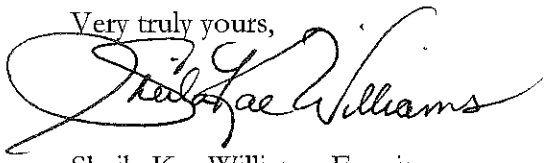
7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan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

8. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that comply with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. All successful bidders have made required provisions for all insurance and payment and performance bonds and such

insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,



Sheila Kae Williams, Esquire

Sheila Kae Williams

ATTORNEY AT LAW

GARDEN TOWERS, SUITE 314
202 TUNNELTON STREET
Kingwood, West Virginia 26537

(304) 329-1173
(304) 329-1203 FAX

July 22, 2011

West Virginia Infrastructure and Jobs Development Council
180 Association Drive
Charleston, WV 25311
ATTN: Angela Chestnut, Executive Secretary

Re: Final Title Opinion for the Town of Rowlesburg Waterline Replacement and Water Tank Project

Dear Ms. Chestnut:

This law firm is counsel to the Town of Rowlesburg (the "Issuer") in connection with a proposed project to construct certain additions and improvements to its water system, including replacement of water distribution lines to service existing customers and a new 105,000 gallon water storage tank and other associated upgrades in and around Rowlesburg, Preston County, West Virginia (the "Project"). I am providing this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") for the Project. Please be advised of the following:

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

2. In accordance with information provided to the undersigned by the project engineer, the Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. I have investigated and ascertained the location of, and am familiar with the legal description of, the necessary site required for the Project as set forth in the plans for the Project prepared by Thrasher Engineering, Inc., the consulting engineers for the Project.

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

5. All rights-of-way have been acquired. The Tank site has been acquired by a deed of conveyance. The rights-of-way and deed have been duly recorded in the Office of the Clerk of the County Commission of Preston County to protect the legal title to and interest of the Issuer. There

are no additional rights-of-way or easements required.

Very truly yours,

Sheila Kae Williams

Sheila Kae Williams
Legal Counsel for the Town of Rowlesburg

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

On this 22nd day of July, 2011, we, the undersigned MAYOR and RECORDER of the Town of Rowlesburg in Preston County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the Town of Rowlesburg Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2011 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Bond Ordinance of the Issuer duly enacted June 27, 2011, and the Supplemental Resolution duly adopted July 11, 2011 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross 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 acquisition and

construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues.

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

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the loan agreement (the "Loan Agreement") entered into by and between the Issuer and the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"). The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2011 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated October 13, 2006, issued in the original aggregate principal amount of $385,000 (the "Series 2006 A Bonds" or the "Prior Bonds").

The Series 2011 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 respects. The Issuer has obtained (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 Prior Bonds to the issuance of the Series 2011 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Ordinance.

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

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Water Rate Ordinance

Minutes on Adoption and Enactment of Water Rate Ordinance

Affidavits of Publication of Rate Ordinance and Notice of Public Hearing

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

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

Evidence of Insurance

Bureau for Public Health

Consent of USDA

IJDC Grant Agreement

USDA Grant Agreement

Evidence of EPA Grant

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Town of Rowlesburg." The Issuer is a municipal corporation in Preston 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, 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
Barbara Banister, Mayor	July 1, 2009	June 30, 2011
Kimberly Felton, Recorder	July 1, 2009	June 30, 2011
Scott Maxwell, Councilmember	July 1, 2009	June 30, 2011
Mark Goff, Councilmember	July 1, 2009	June 30, 2011
Billy Simmons, Councilmember	July 1, 2009	June 30, 2011
Craig Felton, Councilmember	July 1, 2009	June 30, 2011
Robert Goff, Jr., Councilmember	July 1, 2009	June 30, 2011

The duly appointed and acting Mayor for matters relating to the Series 2011 A Bonds is Kimberly Felton. The duly appointed and acting Recorder for matters relating to the Series 2011 A Bonds is Bruce Simon. The duly appointed and acting Counsel to the Issuer is Sheila Williams, Esquire, of Kingwood, West Virginia.

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

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

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

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

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

11. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where

applicable, in accordance with the Bond Legislation and the Loan Agreement. All insurance for the System required by the Bond Legislation and the Loan Agreement are in full force and effect.

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

13. RATES: The Issuer has duly enacted a water rate ordinance on January 24, 2006 setting forth the respective rates and charges for the services of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal, and such rate ordinance is currently in effect.

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

15. BOND PROCEEDS: On the date hereof, the Issuer received $66,175 from the Authority and the Council, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the *Preston County Journal* a newspaper published and of general circulation in the Town of Rowlesburg, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on the 27th day of June, 2011, at 7:00 pm, at the Town Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia in Case No. 11-0218-W-CN entered on May 31, 2011 which became Final Order on June 20, 2011, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof. Such Order is in full force and effect.

18. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate

specimen of the Bond.

19. CONFLICT OF INTEREST: No 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 Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

20. 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 Left Blank]

WITNESS our signatures and the official seal of the TOWN OF ROWLESBURG as of the date first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Kimberly Felton	Acting Mayor
Bruce R. Simon	Acting Recorder
	Counsel to Issuer

07.06.11
780880.00004

WITNESS our signatures and the official seal of the TOWN OF ROWLESBURG as of the date first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	Recorder
_____	Counsel to Issuer

07.06.11
780880.00004

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

On this 22nd day of July, 2011, I, Clay Riley, Registered Professional Engineer, West Virginia License No. 015634, of Thrasher Engineering, Inc., Consulting Engineers, in Clarksburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the existing public water system (the "System") of the Town of Rowlesburg (the "Issuer"), to be constructed in Preston County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Series 2011 A Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on June 27, 2011, and the Supplemental Resolution adopted by the Issuer on July 11, 2011, and the loan agreement dated July 22, 2011 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council").

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing described in Schedule B, attached hereto as Exhibit A and the Issuer's counsel, Sheila Williams, Esquire, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the drug-free workplace affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vi) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (ix) the

Issuer has obtained all applicable permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (x) in reliance upon the certificate of Roth & White, as of the effective date thereof, the rates and charges for the System enacted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

4. The Project will serve no new customers.

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal as of the date first written above.

CLAY P. RILEY
REGISTERED
15634
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

[SEAL]

THRASHER ENGINEERING, INC.

Clay Riley, P.E.
West Virginia License No. 015634

780880.00004

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL
SCHEDULE B
TOWN OF ROWLESBURG, WV

2009W-1085

COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project	Total	USDA Grant	USEPA Grant	WVIJDC Loan	WVIDJC Grant
1. Construction					
Contract #2 (JF Allen) (includes deduct #1)	1,410,685.05	278,725.00	485,000.00	322,200.00	324,760.05
Contract #3 (Mid Atlantic)	381,750.00	323,350.00	0.00	0.00	58,400.00
Contract #4 (Veritus)	167,987.00	150,000.00	0.00	0.00	17,987.00
2 Construction Contingency	163,477.95	39,625.00	0.00	0.00	123,852.95
3 Technical Services					
a. Study & Report Phase	13,500.00	13,500.00	0.00	0.00	0.00
b. Design	67,300.00	67,300.00	0.00	0.00	0.00
c. Inspection	87,300.00	0.00	0.00	87,300.00	0.00
d. Special Services	50,000.00	0.00	0.00	50,000.00	0.00
4 Legal	10,000.00	10,000.00	0.00	0.00	0.00
5 Accounting	7,500.00	7,500.00	0.00	0.00	0.00
6 Administration	37,500.00	0.00	0.00	37,500.00	0.00
7 Sites and Other Lands	7,500.00	0.00	0.00	7,500.00	0.00
8 Miscellaneous					
b. Permits, Fees, Misc	5,000.00	0.00	0.00	5,000.00	0.00
9 Project Contingency	30,000.00	30,000.00	0.00	0.00	0.00
10 Total of Lines 1 through 9	2,439,500.00	920,000.00	485,000.00	509,500.00	525,000.00
B. Cost of Financing		0.00	0.00	0.00	0.00
10 Capitalized Interest	0.00	0.00	0.00	0.00	0.00
11 Funded Reserve	0.00	0.00	0.00	0.00	0.00
12 Bond Counsel	15,000.00	0.00	0.00	15,000.00	0.00
13 Bank Registrar Fee	500.00	0.00	0.00	500.00	0.00
14 Total Cost of Financing	15,500.00	0.00	0.00	15,500.00	0.00
15 TOTAL PROJECT COST (Lines 10+ 14)	2,455,000.00	920,000.00	485,000.00	525,000.00	525,000.00
C. Sources of Funds					
16 Federal Grants:	1,405,000.00	920,000.00	485,000.00	0.00	0.00
17 State Grants	525,000.00	0.00	0.00	0.00	525,000.00
18 Other Grants	0.00	0.00	0.00	0.00	0.00
19 TOTAL GRANTS	1,930,000.00	920,000.00	485,000.00	0.00	525,000.00
20 Size of Bond Issue (Line 15 - 19)	525,000.00	0.00	0.00	525,000.00	0.00

Kimberly Felton
TOWN OF ROWLESBURG

DATE: July 22, 2011

THRASHER ENGINEEING, INC.

DATE: 7-22-11

ROTH & WHITE, A.C.
CERTIFIED PUBLIC ACCOUNTANTS
202 Tunnelton Street
Kingwood, WV 26537
(304) 329-1020

July 22, 2011

Town of Rowlesburg
Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

Town of Rowlesburg
Rowlesburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the water rate ordinance dated January 24, 2006 and the current operation and maintenance expenses and customer usage as furnished to us by the Town of Rowlesburg (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will (i) pay all repair, operation and maintenance expenses of the System, and (ii) leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund)(the "Bonds"), to be issued to the West Virginia Water Development Authority in the principal amount $525,000, and all other obligations secured by a lien on or payable from the revenues of the System, on a parity with the Bonds, including the Issuer's Water Bonds, Series 2006 A (United States Department of Agriculture), dated October 13, 2006, issued in the original aggregate principal amount of $385,000 (the "Prior Bonds").

It is further our opinion that the Net Revenues for the Fiscal Year following the year in which the Series 2011 A Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds and the Series 2011 A Bonds.

Very truly yours,

Roth & White

ROTH & WHITE, A.C.

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

On this 22nd day of July, 2011, the undersigned Mayor of the Town of Rowlesburg in Preston County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $525,000 Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), of the Issuer, dated July 22, 2011 (the "Bonds" or the "Series 2011 A Bonds"), hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on June 27, 2011, as supplemented by Supplemental Resolution duly enacted by the Issuer on July 11, 2011, (collectively, the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on July 22, 2011, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2011 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2011 A Bonds were sold on July 22, 2011, to the Authority, pursuant to a Loan Agreement dated July 22, 2011, by and among the Issuer, the Authority and the Council, for an aggregate purchase price of $525,000 (100% of par), at which time, the Issuer received $66,175 from the Authority and the Council, being the first advance of the principal amount of the Series 2011 A Bonds. No accrued interest has been or will be paid on the Series 2011 A Bonds. The balance of the principal

amount of the Series 2011 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2011 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public water of the Issuer (the "Project"), and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2011 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before September 1, 2012. The acquisition and construction of the Project is expected to be completed by March 1, 2012.

8. The total cost of the Project is estimated at $2,455,000. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2011 A Bonds	$525,000
Proceeds of the IJDC grant	$525,000
Proceeds of the USDA grant	$920,000
Proceeds of the EPA grant	$485,000
Total Sources	$2,455,000
USES	
Costs of Project	$2,439,500
Costs of Issuance	$15,500
Total Uses	$2,455,000

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created relative to the Series 2011 A Bonds:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2011 A Bonds Construction Trust Fund;

(4) Series 2011 A Bonds Sinking Fund; and

(5) Series 2011 A Bonds Reserve Account.

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

(1) From the proceeds of the Series 2011 A Bonds, there shall first be deposited with the Commission in the Series 2011 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2011 A Bonds for the period commencing on the date of issuance of the Series 2011 A Bonds and ending 6 months after the estimated date of completion of construction of the Project;

(2) Next, from the proceeds of the Series 2011 A Bonds, there shall be deposited with the Commission in the Series 2011 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2011 A Bonds Reserve Account.

(3) The remaining proceeds of the Series 2011 A Bonds shall be deposited in the Series 2011 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2011 A Bonds and related costs.

11. Moneys held in the Series 2011 A Bonds Sinking Fund will be used solely to pay principal of the Series 2011 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2011 A Bonds Sinking Fund and Series 2011 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2011 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 7 months of the date hereof.

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

14. With the exception of the amount deposited in the Series 2011 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 13 months from

the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2011 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2011 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2011 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2011 A Bonds Reserve Account and the Series 2011 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

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

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

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

[Remainder of Page Intentionally Blank]

WITNESS my signature as of the date first written above.

TOWN OF ROWLESBURG

By: Kimberly Felton
Acting Its: Mayor

07.06.11
780880.00004

I hereby certify that this is a true copy of the charter of the T
town Rowlesburg.
My commission expires 11 day March month 2013 Barbara Banister

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BARBARA L. BANISTER
P. O. BOX 194
ROWLESBURG, WV 26425
My commission expires March 11, 2013

CHAP. 295.—An ACT to incorporate the town of Rowlesburg in the county of Preston.

Passed February 27, 1858.

Town of Rowlesburg incorporated.

1. Be it enacted by the general assembly, that the town of Rowlesburg in the county of Preston, as the same has heretofore been laid off into lots, streets and alleys, and as the same may hereafter be laid off into lots, streets and alleys, shall be and the same is hereby made a town corporate, by the name of The Town of Rowlesburg; and by that name, shall have and exercise the powers conferred upon towns by and be subject to the provisions of the fifty-fourth chapter of the Code of Virginia.

Officers of the town.

2. The officers of the said town shall consist of a mayor, five councilmen and a sergeant, who shall have the powers and perform the duties of a constable within the limits of said corporation, who shall be elected by the white male inhabitants of the said town of the age of twenty-one years and upwards, who shall have been residents thereof six months and of the state two years preceding the election. The said election shall take place on the first Saturday in April annually; and the mayor and councilmen shall continue in authority until the first Saturday in April in each successive year, and until others shall be qualified in their stead, and no longer.

Powers of mayor.

3. That the mayor of said town shall be and is hereby constituted ex officio justice of the peace within the limits of the said town.

Election, when held.

4. Russell Finnell, H. H. Wheeler, D. Wonderly, junior, T. F. Hebb and William Hall are hereby authorized to hold an election, agreeably to the charter aforesaid, for said officers, on the first Saturday in April next, at the house of Mrs. Maria Hooton, any three of whom may act.

Subject to the Code.

5. The fifty-fourth chapter of the Code of Virginia shall be held and deemed a part of this act, so far as the provisions of said chapter are not in conflict with the provisions of this act.

Commencement

6. This act shall be in force from its passage.

TOWN OF ROWLESBURG

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

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

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

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

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

Adopted this 8th day of December, 2003.

Mayor

ATTEST:

Recorder

12/05/03
780880.00002

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG WV 26425
PHONE 304 454 2441
FAX 304 454 3025

Barbara Banister, Mayor
Kimberly D. Felton, Recorder

STATE OF WEST VIRGINIA, COUNTY OF PRESTON, SS:

I, Billy Simmons, do solemnly swear that I will support the Constitution of the United States and the Constitution of this State: and that I will faithfully discharge the duties of my office of councilperson of the Town of Rowlesburg of Preston County, for the 2 year term commencing of the 1st day of July, 2009 to the best of my skill and judgment… So Help Me God.

Billy Simmons

Subscribed and sworn to before the undersigned this 22nd day of June, 2009.

Kimberly D. Felton
Recorder

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG WV 26425
PHONE 304 454 2441
FAX 304 454 3025

Barbara Banister, Mayor
Kimberly D. Felton, Recorder

STATE OF WEST VIRGINIA, COUNTY OF PRESTON, SS:

I, Craig Felton, Sr., do solemnly swear that I will support the Constitution of the United States and the Constitution of this State: and that I will faithfully discharge the duties of my office of councilperson of the Town of Rowlesburg of Preston County, for the 2 year term commencing of the 1st day of July, 2009 to the best of my skill and judgment… So Help Me God.

Craig Felton

Subscribed and sworn to before the undersigned this 22nd day of June, 2009.

Kimberly D. Felton

Recorder

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG WV 26425
PHONE 304 454 2441
FAX 304 454 3025

Barbara Banister, Mayor
Kimberly D. Felton, Recorder

STATE OF WEST VIRGINIA, COUNTY OF PRESTON, SS:

I, Mark Goff, do solemnly swear that I will support the Constitution of the United States and the Constitution of this State: and that I will faithfully discharge the duties of my office of councilperson of the Town of Rowlesburg of Preston County, for the 2 year term commencing of the 1st day of July, 2009 to the best of my skill and judgment… So Help Me God.

Subscribed and sworn to before the undersigned this 22nd day of June, 2009.

Recorder

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG WV 26425
PHONE 304 454 2441
FAX 304 454 3025

Barbara Banister, Mayor
Kimberly D. Felton, Recorder

STATE OF WEST VIRGINIA, COUNTY OF PRESTON, SS:

I, Kimberly D. Felton, do solemnly swear that I will support the Constitution of the United States and the Constitution of this State: and that I will faithfully discharge the duties of my office of Recorder of the Town of Rowlesburg of Preston County, for the 2 year term commencing of the 1st day of July, 2009 to the best of my skill and judgment… So Help Me God.

Kimberly D. Felton

Subscribed and sworn to before the undersigned this 22nd day of June, 2009.

Barbara Banister

~~Recorder~~ Mayor

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG WV 26425
PHONE 304 454 2441
FAX 304 454 3025

Barbara Banister, Mayor
Kimberly D. Felton, Recorder

STATE OF WEST VIRGINIA, COUNTY OF PRESTON, SS:

I, Scott Maxwell, do solemnly swear that I will support the Constitution of the United States and the Constitution of this State: and that I will faithfully discharge the duties of my office of councilperson of the Town of Rowlesburg of Preston County, for the 2 year term commencing of the 1st day of July, 2009 to the best of my skill and judgment… So Help Me God.

_____

Subscribed and sworn to before the undersigned this 22nd day of June, 2009.

Kimberly D. Felt

Recorder

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG WV 26425
PHONE 304 454 2441
FAX 304 454 3025

Barbara Banister, Mayor
Kimberly D. Felton, Recorder

STATE OF WEST VIRGINIA, COUNTY OF PRESTON, SS:

I, Robert Goff, Jr., do solemnly swear that I will support the Constitution of the United States and the Constitution of this State: and that I will faithfully discharge the duties of my office of councilperson of the Town of Rowlesburg of Preston County, for the 2 year term commencing of the 1st day of July, 2009 to the best of my skill and judgment... So Help Me God.

Robert A. Goff Jr

Subscribed and sworn to before the undersigned this 22nd day of June, 2009.

Kimberly D. Felton

Recorder

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG WV 26425
PHONE 304 454 2441
FAX 304 454 3025

Barbara Banister, Mayor
Kimberly D. Felton, Recorder

STATE OF WEST VIRGINIA, COUNTY OF PRESTON, SS:

I, Barbara Banister, do solemnly swear that I will support the Constitution of the United States and the Constitution of this State: and that I will faithfully discharge the duties of my office of Mayor of the Town of Rowlesburg of Preston County, for the 2 year term commencing of the 1st day of July, 2009 to the best of my skill and judgment... So Help Me God.

Barbara Banister

Subscribed and sworn to before the undersigned this 22nd day of June, 2009.

Kimberly D. Felton

Recorder

AN AMENDMENT TO AND RE-ENACTMENT OF AN ORDINANCE ESTABLISHING AND FIXING A NEW ORDINANCE SETTING FORTH NEW WATER RATES, DELETING WATER RATES FROM A PRIOR ORDINANCE WHICH SET FORTH WATER RATES AND ALL OTHER RATES CHARGED BY THE WATER SYSTEM, ALL SUCH RATES FOR SERVICE TO CUSTOMERS OF THE WATER SYSTEM OF THE MUNICIPALITY OF ROWLESBURG

WHEREAS, by the adoption of the prior Ordinance of like title, the water rates for the Municipality of Rowlesburg were fixed and set within said Ordinance and were separate and apart from an Ordinance entitled "AN ORDINANCE PROVIDING FOR AN AMENDMENT TO AN ORDINANCE PROVIDING FOR THE IMPOSITION AND COLLECTION OF RATES, FEES AND CHARGES FOR THE USE AND AVAILABILITY OF SERVICES AND FACILITIES OF THE WATER WORKS OF THE TOWN OF ROWLESBURG; PRESCRIBING RULES AND REGULATIONS GOVERNING THE FURNISHING AND USE OF ALL SUCH SERVICES AND FACILITIES; AND PROVIDING FOR THE VIOLATION THEREOF" and did further provide that this New Ordinance only deleted the rates from said prior Ordinance and did not in any other way amend said Ordinance;

NOW, THEREFORE, THE TOWN COUNCIL OF THE MUNICIPALITY OF ROWLESBURG HEREBY ORDAINS: The following schedule of water rates is hereby fixed and determined as the water rates to be charged to customers of the water system of the Municipality of Rowlesburg and does adopt these rates as set forth herein as an amendment to and re-enactment of this Ordinance.

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable to entire area served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and resale water service.

RATES

Town of Rowlesburg direct sales:

Number of Gallons/Month	Rate
First 2,000 gallons	$14.98 per 1000 gallons
Next 3,000 gallons	$ 5.88 per 1000 gallons
Next 5,000 gallons	$ 4.37 per 1,000 gallons

Number of Gallons/Month	Rate
Next 10,000 gallons	$ 3.68 per 1,000 gallons
Next 20,000 gallons	$ 2.81 per 1,000 gallons
Over 40,000 gallons	$ 2.35 per 1,000 gallons

MINIMUM BILL

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

5/8 inch meter, or less	$ 29.96 per month
3/4 inch meter, or less	$ 32.33 per month
1 inch meter, or less	$ 74.37 per month
2 inch meter, or less	$ 237.98 per month
3 inch meter, or less	$ 447.38 per month
4 inch meter, or less	$ 745.92 per month

The monthly Minimum Bill shall be $ 29.96 per month.

DELAYED PAYMENT PENALTY

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

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.

WATER CONNECTION CHARGE (TAP FEE)

A charge of $250.00 will be made for every new subscriber requiring a new connection where the meter is one inch or less in size.

Where new connections involve meters larger than one inch, the new connection will be $300.00 or actual cost, whichever is greater.

RECONNECTION SERVICE CHARGE

(a) Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills, or fraudulent use of water, a reconnection charge in the amount of Twenty Dollars ($20.00) shall be paid as tariff for reconnecting service.

(b) If service is discontinued at the request of a customer, the Rowlesburg Water Works may refuse service to such customer, at the same premises, within eight (8) months, unless said Water Works shall first receive payment in the amount of Twenty Dollars ($20.00) as a tariff for reconnecting services.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

If a check received is returned by the bank for any reason, the bank's charge to the Town shall be the Town's charge to the customer for such a bad check, but such charge to the customer shall not exceed $ 20.00.

SECTION 2. EFFECTIVE DATE

The rates, charges and delayed payment penalty provided herein shall become effective forty-five (45) days after final enactment hereof.

SECTION 3. 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, order or parts thereof in conflict with the provisions of this Ordinance are, to the extend of such conflicts, hereby repealed.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Town Clerk 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 a qualified newspaper of general circulation in the Town of Rowlesburg, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before the Council at the Rowlesburg Town Hall, Rowlesburg, West Virginia, on the 8th day of November, 2010, at 7:00 p.m., which date is not less than ten (10) 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 Town Clerk, Rowlesburg, West Virginia, during regular office hours.

Barbara Banister

Barbara Banister, Mayor

Attest:

Kimberly Felton

Recorder

First Reading: October 18, 2010

Second Reading: November 8, 2010

Oct. 18, 2010

The Town Council of the Town of Rowlesburg met in Special meeting on Oct. 18, 2010 in the Community building with Mayor Barbara Banister presiding.

Those present were Scott Maxwell, Bobby Goff, Bill Simmons, and Kimberly Felton Recorder.

Also attending was Jack Banister.

Pledge was led by Jack Banister.

Purpose of this meeting was to have the first reading of the water rate increase for the Phase II water project. Motion to accept made by Bill Simmons and seconded by Scott Maxwell All in favor.

Motion to adjourn meeting made by Scott Maxwell and seconded by Bobby Goff All in favor.

Respectfully Submitted,

Kimberly Felton - Recorder

November 8, 2010

The Town Council of the Town of Rowlesburg met in regular session on November 8, 2010 in the Community Building with Mayor Barbara Banister presiding. Those present were Craig Felton, Bobby Hoff, Mark Hoff, Scott Maxwell, Bill Simmons and Kimberly Felton Recorder. Attending were Donny Shaffer, Judy Felton and Joe Crickenberger - USDA Rural Development.

Pledge was led by Craig Felton.

Public meeting for water rate increase and there was 3 objections.

Minutes from the previous meeting were read and approved on a motion by Craig Felton and seconded by Bill Simmons. All in favor.

Joe Crickenberger from USDA - addressed Council with changes to project budget because of other monies obtained. Motion made by Craig Felton to proceed with changes and seconded by Scott Maxwell. All in favor.

Second reading of water rate increase ordinance held. Motion to accept made by Mark Hoff and seconded by Bill Simmons. All in favor.

Agreement with PCEDA motion to accept after changes made by Craig Felton and seconded by Mark Hoff. All in favor.

Discussion on tickets and laws.

Scott Maxwell - complaints on Red car in town always with police and following people. Mayor to speak with Sheriff concerning this.

Bill asked about - lease laws - & Hydrant

Flags.
Bobby Goff - need tires on police car. To check with Davis & Hoffelty for prices. Door at old Water plant leak on bricks - checked and no chlorine in it. Cinders -
Motion to adjourn meeting made by Craig Felton and seconded by Mark Goff. All in favor.

Respectfully Submitted,
Kimberly Felton
Recorder

LEGAL NOTICE

AN AMENDMENT TO AND RE-ENACTMENT OF AN ORDINANCE ESTABLISHING AND FIXING A NEW ORDINANCE SETTING FORTH NEW WATER RATES, DELETING WATER RATES FROM A PRIOR ORDINANCE WHICH SET FORTH WATER RATES AND ALL OTHER RATES CHARGED BY THE WATER SYSTEM, ALL SUCH RATES FOR SERVICE TO CUSTOMERS OF THE WATER SYSTEM OF THE MUNICIPALITY OF ROWLESBURG

WHEREAS, by the adoption of the prior Ordinance of like title, the water rates for the Municipality of Rowlesburg were fixed and set within said Ordinance and were separate and apart from an Ordinance entitled "AN ORDINANCE PROVIDING FOR AN AMENDMENT TO AN ORDINANCE PROVIDING FOR THE IMPOSITION AND COLLECTION OF RATES, FEES AND CHARGES FOR THE USE AND AVAILABILITY OF SERVICES AND FACILITIES OF THE WATER WORKS OF THE TOWN OF ROWLESBURG; PRESCRIBING RULES AND REGULATIONS GOVERNING THE FURNISHING AND USE OF ALL SUCH SERVICES AND FACILITIES; AND PROVIDING FOR THE VIOLATION THEREOF" and did further provide that this New Ordinance only deleted the rates from said prior Ordinance and did not in any other way amend said Ordinance;

NOW, THEREFORE, THE TOWN COUNCIL OF THE MUNICIPALITY OF ROWLESBURG HEREBY ORDAINS: The following schedule of water rates is hereby fixed and determined as the water rates to be charged to customers of the water system of the Municipality of Rowlesburg and does adopt these rates as set forth herein as an amendment to and re-enactment of this Ordinance.

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable to entire area served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and resale water service.

RATES

Town of Rowlesburg direct sales:

Number of Gallons/Month	Rate
First 2,000 gallons	$14.98 per 1,000 gallons
Next 3,000 gallons	$5.88 per 1,000 gallons
Next 5,000 gallons	$4.37 per 1,000 gallons
Number of Gallons/Month	Rate
Next 10,000 gallons	$3.68 per 1,000 gallons
Next 20,000 gallons	$2.81 per 1,000 gallons
Over 40,000 gallons	$2.35 per 1,000 gallons

MINIMUM BILL

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

5/8 inch meter, or less	$29.96 per month
3/4 inch meter, or less	$32.33 per month
1 inch meter, or less	$74.37 per month
2 inch meter, or less	$237.98 per month
3 inch meter, or less	$447.38 per month
4 inch meter, or less	$745.92 per month

The monthly Minimum Bill shall be $29.96 per month.

DELAYED PAYMENT PENALTY

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

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.

WATER CONNECTION CHARGE (TAP FEE)

A charge of $250.00 will be made for every new subscriber requiring a new connection where the meter is one inch or less in size.

Where new connections involve meters larger than one inch, the new connection will be $300.00 or actual cost, whichever is greater.

RECONNECTION SERVICE CHARGE

(a) Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills, or fraudulent use of water, a reconnection charge in the amount of Twenty Dollars ($20.00) shall be paid as tariff for reconnecting service.

(b) If service is discontinued at the request of a customer, the Rowlesburg Water Works may refuse service to such customer, at the same premises, within eight (8) months, unless said Water Works shall first receive payment in the amount of Twenty Dollars ($20.00) as a tariff for reconnecting services.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

If a check received is returned by the bank for any reason, the bank's charge to the Town shall be the Town's charge to the customer, for such a bad check, but such charge to the customer shall not exceed $20.00.

SECTION 2. EFFECTIVE DATE

The rates, charges and delayed payment penalty provided herein shall become effective forty-five (45) days after final enactment hereof.

# of Publication

I, **Carol Peters,** the undersigned Advertising Manager of The Preston County Journal, a weekly newspaper of general circulation, published at Kingwood, Preston County, West Virginia, do hereby certify that the notice

Water Rates

a copy of which notice is hereto annexed, was published in said paper for Two successive weeks, beginning with its issue of 10/27/10

and expiring with its issue of 11/3/10

And, I do further certify that on 11/3/10

I posted and left posted, a copy of said notice at the front door of the Courthouse of said county.

Carol Peters
ADVERTISING MANAGER

Subscribed and sworn to before me this the 3rd day of November, 20 10

Dennis E. Peters
NOTARY PUBLIC

My commission expires 6/29/2014

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DENNIS E. PETERS
110 WEST MAIN ST.
KINGWOOD, WV 26537
My commission expires June 29, 2014

d, WV

for publishing notice hereto $

ADVERTISING MANAGER

provision of 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, order or parts thereof in conflict with the provisions of this Ordinance are, to the extend of such conflicts, hereby repealed.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Town Clerk 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 a qualified newspaper of general circulation in the Town of Rowlesburg, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before the Council at the Rowlesburg Town Hall, Rowlesburg, West Virginia, on the 8th day of November, 2010, at 7:00 p.m., which date is not less than ten (10) 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 Town Clerk, Rowlesburg, West Virginia, during regular office hours.

CERTIFICATION AND NOTICE

The foregoing Ordinance was introduced and adopted on first reading at a meeting of the Council held on October 18, 2010. Any person interested may appear before the Council of the Town of Rowlesburg, at the Rowlesburg Community Building, Rowlesburg, West Virginia, on the 8th day of November, 2010, at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard with respect thereto. Following such public hearing, the Council will then take such action as it shall deem proper. The proposed Ordinance may be inspected by the public at the office of the Town Clerk, Rowlesburg, West Virginia.

Barbara Bannister, Mayor

10/27,11/3

Certificate of Publication

LEGAL NOTICE

PUBLIC NOTICE OF CHANGE IN WATER RATES BY TOWN OF ROWLESBURG

Notice is hereby given that the Town of Rowlesburg, a municipal utility has adopted by ordinance on November 8, 2010, a tariff containing increased rates, tolls and charges for furnishing water service to the customers of the Town of Rowlesburg water system in Preston County, West Virginia.

The proposed increased rates and charges will become effective on December 27, 2010, which shall be more than forty-five (45) days after enactment hereof, unless otherwise ordered by the Public Service Commission ("the Commission") and will produce approximately $6,223.00 annually in additional revenue, an overall increase of 5%. The average monthly bill for the various classes of customers will be changed as follows:

	($) INCREASE	INCREASE (%)
Residential	$1.44	5%
Commercial	$0.00	0%
Industrial	N/A	N/A
Resale	N/A1	N/A
Other	N/A	N/A

The increase shown is 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 or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than 25% of the customers served by the Town of Rowlesburg or

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

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the Town of Rowlesburg. 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 is available for public inspection in the Rowlesburg Water Office, Rowlesburg, West Virginia.

A copy of the proposed rates is available for public inspection at the office of the Secretary of the Public Service Commission at 201 Brooks Street, Charleston, West Virginia.

11/13,20

I, **Carol Peters,** Advertising Manager of The Preston County News, a weekly newspaper of general circulation, published at Kingwood, Preston County, West Virginia, do hereby certify that the annexed public notice

Water Rates

has been published for Two successive weeks in said newspaper, beginning with its issue of 11/13/10

and expiring with the issue of 11/20/10

And, I do further certify that on 11/20/10

Carol Peters

ADVERTISING MANAGER

Sworn to and subscribed before me this the 20th day of November, 20 10

Dennis E Peters

NOTARY PUBLIC

My commission expires 6/29/2014

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DENNIS E. PETERS
110 WEST MAIN ST.
KINGWOOD, WV 26537
My commission expires June 29, 2014

Certificate of Publication

LEGAL NOTICE

PUBLIC NOTICE OF CHANGE IN WATER RATES BY TOWN OF ROWLESBURG

Notice is hereby given that the Town of Rowlesburg, a municipal utility has adopted by ordinance on November 8, 2010, a tariff containing increased rates, tolls and charges for furnishing water service to the customers of the Town of Rowlesburg water system in Preston County, West Virginia.

The proposed increased rates and charges will become effective on December 27, 2010, which shall be more than forty-five (45) days after enactment hereof, unless otherwise ordered by the Public Service Commission ("the Commission") and will produce approximately $6,223.00 annually in additional revenue, an overall increase of 5%. The average monthly bill for the various classes of customers will be changed as follows:

	($) INCREASE	INCREASE (%)
Residential	$1.44	5%
Commercial	$0.00	0%
Industrial	N/A	N/A
Resale	N/A1	N/A
Other	N/A	N/A

The increase shown is 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 or charges by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than 25% of the customers served by the Town of Rowlesburg or

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

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the Town of Rowlesburg. 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 is available for public inspection in the Rowlesburg Water Office, Rowlesburg, West Virginia.

A copy of the proposed rates is available for public inspection at the office of the Secretary of the Public Service Commission at 201 Brooks Street, Charleston, West Virginia.

11/17,24

I, **Carol Peters,** the undersigned Advertising Manager of The Preston County Journal, a weekly newspaper of general circulation, published at Kingwood, Preston County, West Virginia, do hereby certify that the notice

Water Rates

a copy of which notice is hereto annexed, was published in said paper for Two successive weeks, beginning with its issue of 11/17/10

and expiring with its issue of 11/24/10

And, I do further certify that on 11/24/10

I posted and left posted, a copy of said notice at the front door of the Courthouse of said county.

Carol Peters
ADVERTISING MANAGER

Subscribed and sworn to before me this the 24th day of November, 20 10

Dennis E Peters
NOTARY PUBLIC

My commission expires 6/29/2014

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DENNIS E. PETERS
110 WEST MAIN ST.
KINGWOOD, WV 26537
My commission expires June 29, 2014

Kingwood, WV_____

Received of_____

Amount for publishing notice hereto $_____

ADVERTISING MANAGER

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON
ADOPTION OF BOND ORDINANCE

The undersigned RECORDER of the Town of Rowlesburg 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 Town of Rowlesburg met in regular session, pursuant to notice duly posted, on the 27th day of June, 2011, in Preston County, West Virginia, at the hour of 7:00 p.m.

PRESENT:
Barbara Banister, Mayor
Kimberly Felton, Recorder
Scott Maxwell, Councilmember
Mark Goff, Councilmember
Billy Simmons, Councilmember
Craig Felton, Councilmember
Robert Goff, Jr., Councilmember

ABSENT:
None.

Barbara Banister, Mayor, presided, and Kimberly Felton, 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 stated that the proposed Bond Ordinance heretofore passed on first and second readings would be subject to protests and suggestions from any interested person at this time in accordance with the publication of an abstract of said Bond Ordinance and a Notice of Hearing, which publication has been duly made, and the Mayor called for protests and suggestions as to said Bond Ordinance and all persons desiring to protest the said Bond Ordinance or to make any suggestions with reference thereto were heard.

There being no protests or suggestions made as to said Bond Ordinance, the Mayor thereupon stated that it would be in order to consider the said Bond Ordinance for final enactment and the Mayor caused the said Bond Ordinance to be read as follows:

> ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF ROWLESBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $825,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

*** *** ***

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

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

WITNESS my signature on this 22nd day of July, 2011.

acting Bruce R. Smor
Recorder

07.06.11
780880.00004

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF
SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND
SWEEP RESOLUTION

The undersigned RECORDER of the Town of Rowlesburg 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 Town of Rowlesburg met in regular session, pursuant to notice duly posted, on the 11th day of July, 2011, in Preston County, West Virginia, at the hour of 7:00 p.m.

PRESENT:

Kimberly Felton, Acting Mayor
Bruce Simon, Acting Recorder
Scott Maxwell, Councilmember
Gary Henline, Councilmember
Donald Riggs, Councilmember
Robert Goff, Jr., Councilmember

ABSENT:
None.

Kimberly Felton, Acting Mayor, presided, and Bruce Simon, acted as Acting Recorder. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

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

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE TOWN OF ROWLESBURG; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS

AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING A BOND ORDINANCE; 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 Donald Riggs and seconded by Scott Maxwell, 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 Scott Maxwell and seconded by Donald Riggs, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Donald Riggs and seconded by Gary Henline, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

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

WITNESS my signature on this 22nd day of July, 2011.

acting Bruce R. Simon
Recorder

07.06.11
780880.00004

Certificate of Publication

LEGAL NOTICE

NOTICE OF PUBLIC HEARING ON THE
TOWN OF ROWLESBURG BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the Town of Rowlesburg (the "Town") to be held on Monday, June 27, 2011, at 7:00 p.m. at the Town Hall, 42 Poplar Street, Rowlesburg, West Virginia, and at such hearing any person interested may appear before the Town and present protests, and all protests and suggestions shall be heard by the Town and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

TOWN OF ROWLESBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF ROWLESBURG AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $825,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The Town contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The Bonds are payable from the revenues derived from the System. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the Town of Rowlesburg on May 23, 2011. A certified copy of the above-entitled Ordinance is on file with the Town for review by interested parties during regular office hours.

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

/s/ Barbara Banister
Mayor
6/15, 22

I, **Carol Peters,** the undersigned Advertising Manager of The Preston County Journal, a weekly newspaper of general circulation, published at Kingwood, Preston County, West Virginia, do hereby certify that
the notice

Town of Rowlesburg

a copy of which notice is hereto annexed, was published in said paper for Two successive weeks, beginning with its issue of 6/15/11

and expiring with its issue of 6/15/11

And, I do further certify that on 6/15/11

I posted and left posted, a copy of said notice at the front door of the Courthouse of said county.

Carol Peters
ADVERTISING MANAGER

Subscribed and sworn to before me this the 15th day of June, 2011

Dennis E. Peters
NOTARY PUBLIC

My commission expires 6/29/2014

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DENNIS E. PETERS
110 WEST MAIN ST.
KINGWOOD, WV 26537
My commission expires June 29, 2014

Kingwood, WV_____
Received of_____
Amount for publishing notice hereto $_____

ADVERTISING MANAGER

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

NEW ISSUE REPORT FORM

Date of Report: 7/22/2011

ISSUE: Town of Rowlesburg
Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund)

ADDRESS: PO Box 458, Rowlesburg, WV 26425 COUNTY: Preston

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 7/22/2011
CLOSING DATE: 7/22/2011
ISSUE AMOUNT: $525,000.00
RATE: 0%
1ST DEBT SERVICE DUE: 12/1/2012
1ST PRINCIPAL DUE 12/1/2012
1ST DEBT SERVICE AMOUNT $3,726.80
includes reserve payment
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Clear Mountain Bank
Contact: Kathy Roy
Phone: 304.789.2436

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Barbara Banister
Position: Mayor
Phone: 304.454.2441

OTHER:
Agency: West Virginia Infrastructure & Jobs Development Council
Contact: Jim Ellars, P.E.
Position: Director
Phone: 304.414.6501

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

____	Accrued Interest:	$ ____
____	Capitalized Interest:	$ ____
____	Reserve Account:	$ ____
____	Other:	$ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____	To Escrow Trustee	$ ____
____	To Issuer	$ ____
____	To Cons. Invest. Fun	$ ____
____	To Other: ____	$ ____

NOTES: Series 2011 A Bonds Reserve Account will be funded over 10 years

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Clear Mountain Bank, Bruceton Mills, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the Town of Rowlesburg (the "Issuer") enacted by the Issuer on June 27, 2011, and a Supplemental Resolution adopted by the Issuer on July 11, 2011 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), dated July 22, 2011, in the aggregate principal amount of $525,000 (the "Series 2011 A Bonds"), and agrees to serve as Depository Bank in connection with the Series 2011 A Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 22nd day of July, 2011.

CLEAR MOUNTAIN BANK

By: Ron Metty
Its: Authorized Officer

780880.00004

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Town of Rowlesburg Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), dated July 22, 2011, in the principal amount of $525,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 22nd day of July, 2011.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

780880.00004

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bond issue of the Town of Rowlesburg (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Town of Rowlesburg Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), of the Issuer, dated July 22, 2011, in the principal amount of $525,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 22nd day of July, 2011.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

780880.00004

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 22nd day of July, 2011, by and between the TOWN OF ROWLESBURG, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $525,000 principal amount of Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), dated the date hereof, in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted June 27, 2011, and a Supplemental Resolution of the Issuer duly adopted July 11, 2011 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen

signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Town of Rowlesburg
Post Office Box 458
Rowlesburg, West Virginia 26425
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Bond Legislation.

9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

TOWN OF ROWLESBURG

By: Kimberly Felton
Its: Mayor Acting

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

07.06.11
780880.00004

CH5419352

EXHIBIT A

Included in transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date July 22, 2011

Town of Rowlesburg
Account Number 6089001809

Town of Rowlesburg
Water Revenue Bonds, Series 2011 A
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR July, 2011

****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY

DATE (MM/DD/YY) 07/07/11

PRODUCER

Serial # A14701

WV BOARD OF RISK & INSURANCE MGT.
90 MACCORKLE AVE. SW, SUITE 203
SOUTH CHARLESTON, WV 25303

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED

TOWN OF ROWLESBURG
PO BOX 458
ROWELSBURG, WV 26425

INSURER A: NATIONAL UNION FIRE CO OF PITTSBURGH, PA
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS		
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR X WRONGFUL ACT X PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	L0645	07/01/2011	07/01/2012	EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ $ $ $ $ $	1,000,000 100,000 0 INCLUDED NONE NONE
A	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	L0645	07/01/2011	07/01/2012	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $	1,000,000
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $	
	EXCESS LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $ $ $ $	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY STOPGAP	L0645	07/01/2011	07/01/2012	WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $	1,000,000 1,000,000 1,000,000
	OTHER						

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

WV WATER DEVELOPMENT AUTHORITY

CERTIFICATE HOLDER ADDITIONAL INSURED; INSURER LETTER:

WV WATER DEVELOPMENT AUTHORITY
1810 ASSOICATION DR.
CHARLESTON, WV 25301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Jerry W. Gladwell

© ACORD CORPORATION 1988

10-496
permit

encl - Clay Riley

PWSID: WV3303914

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313 CHARLESTON, WV 25301-3713
Telephone (304) 558-2981

RECEIVED
SEP 01 2010
THRASHER ENGINEERING, INC.

PERMIT

(Water)

PROJECT: Water Line Replacement & 105,000 Gallon Storage Tank **PERMIT NO.:** 18,646

LOCATION: Rowlesburg **COUNTY:** Preston **DATE:** 8-30-2010

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Town of Rowlesburg
P. O. Box 458
Rowlesburg, West Virginia 26425

is hereby granted approval to: install approximately 6,665 LF of 8", 6,785 LF of 6", 100 LF of 4", 40 LF of 3" and 1,150 LF of 2" water line; a new 105,000 gallon water storage tank; a new generator at the Rowlesburg water treatment plant; blasting, painting and fencing the existing Rowlesburg 200,000 gallon water storage tank; fencing of the existing Rowlesburg raw water pump station; new controls and telemetry; and all necessary valves and appurtenances.

Facilities are to serve the Town of Rowlesburg and Manheim area.

Note: This permit is contingent upon all new water line and storage tanks being disinfected, flushed and bacteriologically tested, prior to use.

The Environmental Engineering Division of the **OEHS-Philippi District Office, (304) 457-2296,** is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH: plk

pc: Thrasher Engineering
Ingrid Ferrell, PSC-Engineering Division
Amy Swann, PSC
Preston County Health Department
OEHS-EED Philippi District Office

IC-2
(03/11)

GRANT AGREEMENT
(2009W-1085)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the TOWN OF ROWLESBURG (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $525,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Authority and the Governmental Agency hereby agree as follows:

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit B, unless the Council and Authority are provided replacement instructions in writing.

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

TOWN OF ROWLESBURG

By: Kimberly Felbo
Its: Mayor Acting
Date: July 22, 2011

(SEAL)

Attest:
acting Bruce R. Sims
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: July 22, 2011

(SEAL)

Attest:
Carol A. Cummings
Its: Authorized Officer

{C2088039.1}

Exhibit A

Project Description

The Project consists of replacing a large portion of the existing water distribution system and to construct a new water storage tank and other associated upgrades.

Number of New Users: 0
Location: N/A

[TO BE PLACED ON LETTERHEAD]

Exhibit B

Wiring Instructions

_____

Town of Rowlesburg
P.O. Box 458
Rowlesburg, WV 26425

Payor:	**West Virginia Water Development Authority**
Source:	**Grant Proceeds**
Amount:	**$_____**
Date:	**_____**
Form:	**Electronic Funds Transfer**
Payee:	**Town of Rowlesburg**
Contact Name:	**Barbara Banister**
Telephone:	**(304) 454-2441**
Bank Name:	**Clear Mountain Bank**
Bank Street Address:	**160 Morgantown St., Bruceton Mills, WV 26525**
Bank Contact:	**Kathy Roy**
Telephone:	**(304) 789-2436**
Routing No.:	**051502559**
Account No.:	**3336518**
Account Name:	**Series 2011 A Bonds Construction Fund**

Bond Counsel

United States Department of Agriculture
Rural Development
West Virginia State Office

January 11, 2010

COPY

The Honorable Barbara L. Banister
Mayor, Town of Rowlesburg
P.O. Box 458
Rowlesburg, WV 26425

Dear Mayor Banister:

This letter, with Attachments 1 through 9 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The grant will be administered 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 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 RD grant in the amount of $920,000, and other funding in the amount of $1,200,000, for a total project cost of $2,120,000. The other funding is planned in the form of a loan and grant from the West Virginia Infrastructure and Jobs Development Council.

The grant will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. All parties may access our web-site located at www.usda.gov/rus/water/ for the following:

a. RUS Instruction 1780
b. RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance" (September 10, 2003 Version)
c. RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
d. RUS Bulletin 1780-31, "Water Programs Compliance Supplement For OMB Circular A-133 Audits"

"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).

Government Auditing Standards (Revision 2007) (Accountant Copy) may be accessed at www.gao.gov/govaud/ybk01.htm.

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
Attachment No. 3 - RUS Supplemental General Conditions (Engineer Copy)
Attachment No. 4 - Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way" (Attorney Copy)
Attachment No. 5 - Form RD 1927-9, "Preliminary Title Opinion" (Attorney Copy)
Attachment No. 6 - Form RD 1927-10, "Final Title Opinion" (Attorney Copy)
Attachment No. 7 – Sample Credit Agreement (Applicant Copy)
Attachment No. 8 - Labor Standards Provisions (Engineer Copy)
Attachment No. 9 - Various other RD forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. **American Recovery and Reinvestment Act of 2009 ("Recovery Act").**

Recovery Act requirements apply to this financing. In addition to the other conditions contained in this Letter of Conditions, you must understand and agree to these following conditions specific to the Recovery Act:

(a). Certifications. With respect to Recovery Act funds made available to State or local governments for infrastructure investments, Section 1511 of the Recovery Act requires the Governor, mayor or other chief executive, as appropriate, to certify that the infrastructure investment has been properly approved as required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. RD personnel will provide specific guidance on the information required in the certification.

(b). Reports on Use of Funds. Section 1512 of the Recovery Act requires each recipient receiving Recovery Act funding to provide specific information to the government on a periodic basis for inclusion in various internal and publicly-available reports. RD personnel will provide specific guidance on the type and frequency of information required to assist Recovery Act recipients in complying with this condition.

(c). Buy American. Section 1605 of the Recovery Act requires that all projects financed with Recovery Act funds be bid and constructed using only iron,

steel and manufactured goods produced in the United States in accordance with Section 1605 of the Recovery Act. Specific guidance, including contract provisions to be included in any construction contracts, will be provided under separate correspondence.

(d). Wage Rate Requirements. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors for the project will be paid wages at rates not less than those prevailing on projects of a character similar in the locality where this project will occur. Specific guidance, including contract provisions to be included in any construction or otherwise related contracts, will be provided under separate correspondence.

Compliance with the conditions in this section is required for financing under the Recovery Act. However, these conditions are not substitutes for, or in lieu of, the remaining conditions contained in this Letter of Conditions. Each of the conditions in this Letter of Conditions must also be understood and complied with to receive financing for your project.

2. **Fund Usage** – Funds obligated under the terms of this letter of conditions are committed on the basis that your project will proceed to the construction stage in an expedient manner. In accordance with 7 CFR 1782, Section 1782.20(u)(5), any funds not disbursed within 60 months from the date of obligation will be de-obligated and returned to the Department of Treasury for further disposition to other RD project applicants. In the event that USDA determines that your project has not progressed within the five (5) year timeline and that funds will be recaptured, you will be given appeal rights and due process to document reasons why you believe the decision to de-obligate your project funds is not justified.

3. **Security** – Security requirements are contained in RUS Bulletin 1780-12 which is mentioned later.

4. **Users** – This conditional commitment is based upon you providing evidence that you will have at least 275 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users actually connected to and using the Town's existing water 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.

5. **Engineering Services** – It will be necessary for you to obtain the services of an engineer. EJCDC No. E-510-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (2002 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 RD.

6. **Legal Services** – It will be necessary for you to obtain the services of a local attorney. For your convenience "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 grant closing, your accountant must certify that the accounts and records as required by your grant agreement have been established and are operational.

    The Accountant's Agreement should be submitted to RD 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 RD concurrence is obtained.

    RUS regulations noted above outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your Town. "Government Auditing Standards (Revised 2007)", which may be accessed at www.gao.gov/govaud/ybk01.htm, and RUS Bulletins 1780-30 and 1780-31, which may be accessed at our agency website listed above, 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 Town 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 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 closing, the Town'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 Town has already acquired real property(s) (land or facilities), the Town's attorney will provide a separate final title opinion(s) covering such property(s) on the day of 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
-Railroads

-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 Rural Development.

    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** - Prior to closing or start of construction, whichever occurs first, you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. RD strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of RD to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

    a. General Liability Insurance – This should include vehicular coverage.

    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 to $300,000, or 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 RD 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. National Flood Insurance – In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:

   i. If flood insurance is available, you must purchase a flood insurance policy at the time of closing.
   ii. Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.

e. 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. **Environmental Requirements** –

Project Modifications – The project as proposed has been evaluated to be consistent with all applicable environmental requirements. If the project or any project element deviates from or is modified from the original approved project, additional environmental review may be required.

13. **Vulnerability Assessments (VA) and Emergency Response Plans (ERP)** –

Congress enacted the Public Health Security and Bioterrorism Preparedness Response Act of 2002, Public Law 107-188 (Bioterrorism Act). The Bioterrorism Act amended the Safe Drinking Water (SDWA) to require all medium and large sized community water systems (serving populations greater than 3,300) to assess vulnerability to terrorist attack and develop emergency plans for response to such an attack. Medium and large community water systems are being monitored by the U.S. EPA for completion of VAs and ERPs.

Rural Development requires all financed water and wastewater systems to have a vulnerability assessment (VA) and an emergency response plan (ERP) in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete must be submitted within one year of the start of operations. All other borrowers must provide a certification that a VA and ERP are complete prior to bid authorization.

You will also be required to provide a certification that the VA and ERP is complete and is current every three years after the start of operations. RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide you with on site assistance if desired.

14. **Civil Rights & Equal Opportunity** – You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

Section 504 of the Rehabilitation Act of 1973 – Under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RD financial assistance.

Civil Rights Act of 1964 – All borrowers are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.

Age Discrimination Act of 1975 – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

RD financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

15. **Contract Documents, Final Plans and Specifications** –

a. The contract documents should consist of the following:

(1) EJCDC Document No. C-521, 2002 Edition, "Suggested Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. C-710, 2002 Edition, "Standard General Conditions of the Construction Contract – Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RD.

(2) "West Virginia Supplemental General Conditions."

(3) "Labor Standards Provisions" – Title 29, Subtitle A, Part 5, Section 5.5, Contract Provisions and Related Matters. One copy of this item is attached hereto (Attachment No. 7). Additional copies must be reproduced by the engineer.

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance (September 10, 2003 Version)," is available online as shown on Page 1 of this letter or from the RD Area Office upon request.

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 Town and its engineer. EJCDC Document C-700, "Standard General Conditions of the Construction Contract" (2007 Edition) and Attachment H to RUS Bulletin 1780-26, "Supplementary Conditions" both suggest 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 RD for approval.

d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

16. **Interim Financing** - Interim financing will be used if it is available at reasonable rates and terms. You must provide RD with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RD review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 7).

17. **Disbursement of Funds** – The RD funds will be advanced as they are needed in the amount(s) necessary to cover the RD proportionate share of any disbursements required of your Town, over 30 day periods. Funds will be disbursed by electronic transfer of funds.

    Any RD grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account except as follows:

    a. Federal grant awards (includes all federal funding sources) are less than $120,000 per year.

    b. The best available interest bearing account would not be expected to earn in excess of the following:

       Public Bodies
       Interest earned on grant funds in excess of $100 per year will be submitted to RD at least quarterly as required in 7 CFR 3016.

    c. The depository would require a minimum balance so high that it would not be feasible.

    The Town 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 $250,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The Town 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 RD.

18. **Other Project Funds** – Prior to advertisement for construction bids, you must provide evidence showing the approval of any other project funds. This evidence should include a copy of the funding award. Prior to award of the contract(s) to the contractor(s), you must provide evidence that the other project funds are available for expenditure. This evidence should consist of at least a letter from the funding agency stating the funds are available for expenditure.

19. 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 1780-12 – "Water or Waste System Grant Agreement"
    Form RD 400-1 – "Equal Opportunity Agreement"
    Form RD 400-4 – "Assurance Agreement"
    Form AD 1047 – "Certification Regarding Debarment – Primary"
    Form AD 1049 – "Certification Regarding Drug-Free Workplace"
    Form 1910-11 - "Applicant Certification, Federal Collection Policies"
    RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"
    Standard Form LLL – "Disclosure of Lobbying Activities" (If Applicable)
    Certification of Compliance
    Form RD 1942-46, "Letter of Intent to Meet Conditions"

20. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the grant docket. All the items listed must be included in the grant docket when it is forwarded to the USDA – Rural Development State Office with a request for closing instructions to be issued.

21. Upon receipt of the grant docket, which contains all the items required above, RD 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 RD 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 grant approval have been satisfied, 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 grant can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the closing will be scheduled.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RD project funds will be considered to be RD grant funds and refunded to RD.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RD reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of 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, RD 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,

BOBBY LEWIS
State Director

Enclosures

cc: Craig Burns, Area Director, Elkins, WV
ATTN: Joe Crickenberger, Area Specialist

Roth and White, PLLC
ATTN: Nancy Roth, CPA
202 Tunnelton Street
Kingwood, WV 26537

West Virginia Infrastructure and Jobs Development Council
ATTN: Angela Chestnut, P.E.
Executive Director
300 Summers Street, Suite 980
Charleston, WV 25301

Thrasher Engineering, Inc.
ATTN: Clay Riley, P.E.
P.O. Box 1532
Clarksburg, WV 26301

Preston County Economic Development Authority
ATTN: Robbie Baylor
330 East Main Street, Suite 100
Kingwood, WV 26537

Local Attorney

Bond Counsel

Attachment No.1 to the Letter of Conditions
For: Town of Rowlesburg Phase II Water System Improvement Project
Date: January 11, 2010

Project Construction Budget
Town of Rowlesburg
Phase II Water System Improvement Project

PROJECT COST	RUS GRANT	WVIJDC LOAN	WVIJDC GRANT	TOTAL
CONSTRUCTION	$ 720,000	$ 480,000	$ 485,808	$ 1,685,808
CONSTRUCTION CONTINGENCY	$ 72,500	$ 48,000	$ 48,092	$ 168,592
LAND & RIGHTS	$ -	$ -	$ -	$ -
LEGAL FEES	$ 10,000	$ -	$ -	$ 10,000
BOND COUNSEL	$ -	$ 15,000	$ -	$ 15,000
ACCOUNTING	$ 7,500	$ -	$ -	$ 7,500
ENGINEERING FEES	$ 80,000	$ 49,500	$ 58,600	$ 188,100
Preliminary - 13,500				
Basic - $67,300				
Insp. - $87,300				
Special - $20,000 (Geotechnical)				
ADMINISTRATION	$ -	$ 7,500	$ 7,500	$ 15,000
PROJECT CONTINGENCY	$ 30,000	$ -	$ -	$ 30,000
TOTAL	**$ 920,000**	**$ 600,000**	**$ 600,000**	**$ 2,120,000**

Attachment 1 to the Letter of Conditions
For: Town of Rowlesburg Phase II Water System Improvement Project
Date: January 11, 2010

ROWLESBURG, TOWN OF (Water)
PROPOSED TARIFF

APPLICABILITY

Applicable to entire area served

AVAILABILITY

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

RATES

Town of Rowlesburg direct sales:

Number of Gallons/Month		Rate
First	2,000 gallons used per month	$14.69 per 1,000 gallons
Next	3,000 gallons used per month	$ 5.77 per 1,000 gallons
Next	5,000 gallons used per month	$ 4.28 per 1,000 gallons
Next	10,000 gallons used per month	$ 3.61 per 1,000 gallons
Next	20,000 gallons used per month	$ 2.75 per 1,000 gallons
All over	40,000 gallons used per month	$ 2.42 per 1,000 gallons

MINIMUM BILL

No bill shall be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

5/8 x 3/4 inch meter, or less	$ 29.38 per month
3/4 inch meter, or less	$ 44.07 per month
1 inch meter, or less	$ 73.45 per month
2 inch meter, or less	$ 235.04 per month
3 inch meter, or less	$ 440.70 per month
4 inch meter, or less	$ 734.50 per month

The minimum monthly bill shall be $29.38 per month and for 4,500 gallons, the monthly bill shall be $43.81.

Attachment 1 to the Letter of Conditions
For: Town of Rowlesburg Phase II Water System Improvement Project
Date: January 11, 2010

ROWLESBURG, TOWN OF (Water)

DELAYED PAYMENT PENALTY

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

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.

WATER CONNECTION CHARGE (TAP FEE)

A charge of $250.00 will be made for every new subscriber requiring a new connection where the meter is one inch or less in size.

Where new connections involve meters larger than one inch, the new connection will be $300.00 or actual cost, whichever is greater.

RECONNECTION SERVICE CHARGE

(a) Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills, or fraudulent use of water, a reconnection charge in the amount of Twenty Dollars ($20.00) shall be paid as tariff for reconnecting service.

(b) If service is discontinued at the request of a customer, the Rowlesburg Water Works may refuse service to such customer, at the same premises, within eight (8) months, unless said Water Works shall first receive payment in the amount of Twenty Dollars ($20.00) as a tariff for reconnecting services.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

If a check received is returned by the bank for any reason, the bank's charge to the Town shall be the Town's charge to the customer for such a bad check, but such charge to the customer shall not exceed $20.00.

LEAK ADJUSTMENT INCREMENT

$0.85 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate is used to calculate consumption above the customer's historical average usage.

Attachment No. 1 to the Letter of Conditions
For: Town of Rowlesburg - Phase II Water System Improvement Project
Date: January 11, 2010

TOWN OF ROWLESBURG PHASE II WATER SYSTEM IMPROVEMENT PROJECT
OPERATING BUDGET PROPOSED RATES

OPERATING INCOME				
Domestic & Commercerial Metered Sales	$	131,321		
Sales For Resale	$	59,869		
Penalties	$	-		
Other Water Revenues	$	9,043		
TOTAL OPERATING INCOME				$ 200,233
NON OPERATING INCOME				
Interest & Dividend Income	$	210		
TOTAL NON OPERATING INCOME				$ 210
TOTAL INCOME				$ 200,443
EXPENSES				
O & M	$	145,555		
Taxes	$	5,266		
TOTAL EXPENSES				$ 150,821
INCOME AVAILABLE FOR D/S (A)				$ 49,622
DEBT SERVICE				
Existing RUS Bond P & I	$	20,844	$1,737.00 per month	
Proposed IJDC Bond P & I	$	15,790	(0% for 38 years)	
TOTAL DEBT SERVICE (B)				$ 36,634
RESERVES				
Existing RUS Debt Service Reserve	$	2,084		
R&R Reserve - 2.5% of Gross Revenues	$	5,011		
Proposed IJDC Debt Service Reserve	$	1,579		
TOTAL ANNUAL RESERVES				$ 8,674
SURPLUS (DEFICIT)				$ 4,314
DEBT COVERAGE (A/B)				$ 1.35

Proposed funding = RUS Grant of $920,000, WVIJDC Grant of $600,000 and a WVIJDC Loan of $600,000 @ 0% for 38 years for a total project cost of $2,120,000.

Attachment No. 1 to the Letter of Conditions
For: Town of Rowlesburg Phase II Water System Improvement Project
Date: January 11, 2010

TOWN OF ROWLESBURG - PHASE II WATER SYSTEM IMPROVEMENT PROJECT
USE AND INCOME ANALYSIS
EXISTING SYSTEM--PROPOSED RATES

Category	No. of Users	1,000's of Gals./Mo.	Minimum Bills	First 2,000	Next 3,000	Next 5,000	Next 10,000	Next 20,000	Over 40,000	TOTAL REVENUE
0 - 2,000	98	196.00	98							
2,001 - 5000	130	419.60		260.00	159.60					
5,001 - 10,000	35	218.95		70.00	105.00	43.95				
10,001 - 20,000	4	53.70		8.00	12.00	20.00	13.70			
20,001 - 40,000	0	0.00								
Over 40,000	0	0.00								
Monthly Total	267	888.25	98	338.00	276.6	63.95	13.7	0.00	0.00	
Proposed Rates			$ 29.38	$ 14.69	$ 5.77	$ 4.28	$ 3.61	$ 2.75	$ 2.42	
Monthly Revenue			$ 2,879.24	$ 4,965.22	$ 1,595.98	$ 273.71	$ 49.46	$ -	$ -	**$ 9,763.61**
Annual Revenue			$ 34,550.88	$ 59,582.64	$ 19,151.76	$ 3,284.52	$ 593.52	$ -	$ -	**$ 117,163.32**

Projected Annual Revenue (Rounded) = $ 117,163.00

Adjustment Factor = 0.995849465

Projected Adjusted Annual Revenue (Rounded) = $ 116,677.00

4,500 Gallon Rate = $ 43.81

Attachment No. 1 to Letter of Conditions
For: Town of Rowlesburg Phase II Water System Improvement Project
Date: January 11, 2010

TOWN OF ROWLESBURG - PHASE II WATER SYSTEM IMPROVEMENT PROJECT
USE AND INCOME ANALYSIS
EXISTING COMMERCIAL CUSTOMERS (LARGER METERS) - PROPOSED RATES

Category	No. of Users	1,000's of Gals./Mo.	**MINIMUM BILLS** Rates	Charges	First 2,000	Next 3,000	Next 5,000	Next 10,000	Next 20,000	Over 40,000	TOTAL REVENUE
Minimum Bills											
2,000 Gals./Mo.											
5/8 inch meter	0	0.00	$ 29.38	$ -							
3/4 inch meter	2	3.70	$ 44.07	$ 88.14							
1 inch meter	3	6.00	$ 73.45	$ 220.35							
1 1/4 inch meter	0	0.00	$ 107.24	$ -							
1 1/2 inch meter	0	0.00	$ 146.90	$ -							
2 inch meter	1	2.00	$ 235.04	$ 235.04							
3 inch meter	1	2.00	$ 440.70	$ 440.70							
4 inch meter	0	0.00	$ 734.50	$ -							
Over The Minimums	**These User #'s Counted Above**										
0 - 2,000	0	0.00									
2,001-5,000	3	2.33			-	2.33					
5,001-10,000	1	5.70			-	3.00	2.70				
10,001 - 20,000	1	8.24			-	3.00	5.00	0.24			
20,001 - 40,000	0	0.00			-						
Over 40,000	1	50.20			-	3.00	5.00	10.00	20.00	12.20	
Monthly Total	7	80.17		$ 984.23	0.00	11.33	12.70	10.24	20.00	12.20	
Proposed Rates					$ 14.69	$ 5.77	$ 4.28	$ 3.61	$ 2.75	$ 2.42	
Monthly Revenue				$ 984.23	$ -	$ 65.37	$ 54.36	$ 36.97	$ 55.00	$ 29.52	**$ 1,225.45**
Annual Revenue				$ 11,810.76	$ -	$ 784.44	$ 652.32	$ 443.64	$ 660.00	$ 354.24	**$ 14,705.40**

Annual Revenue (Rounded) = $ 14,705.00
Adjustment Factor = 0.995849465
Adjusted Projected Annual Revenue (Rounded) = $ 14,644.00

Attachment No. 1 to the Letter of Conditions
For: Town of Rowlesburg Phase II Water System Improvement Project
Date: January 11, 2010

TOWN OF ROWLESBURG - PHASE II WATER SYSTEM IMPROVEMENT PROJECT
USE AND INCOME ANALYSIS
BULK SALES TO THE TOWN OF TUNNELTON - PROPOSED RATES

Bulk Customer	No. of Users	1,000's of Gals./Mo.	Cost Per 1,000 Gallons	MONTHLY REVENUE
Town of Tunnelton	1	2,128.00	$ 2.35	**$ 5,000.80**

Projected Annual Revenue = $ 60,009.60

Adjustment Factor = 0.99765167

Projected Adjusted Annual Revenue (Rounded) = $ 59,869.00

Attachment No. 2 to Letter of Conditions
For: Town of Rowlesburg (Phase II Water)
Date: January 11, 2010

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		Have	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		Have	1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		Have	1
EJCDC No. E-510-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer			6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RUS Legal Services Agreement	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney			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		Have	8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer		Have	8
	Rate Tariff	2	1780.33	Applicant		Have	8
	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		Have	3
	Documentation on Service Area	1	1780.11	RUS			3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		Have	1
	Letter of Conditions	7	1780.41 (a)(5)	RUS			3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant			5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant			2
CPAP Form	Project Information	2	1780.41(a)	RUS			1
CPAP Form	Underwriting Information	2	1780.33(h)	RUS			3
RD 1940-1	Request for Obligation of Funds	2	1780.41(a)	RUS/ Applicant			2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	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
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS			3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 1910-11	Applicant Certification, Federal Collection Policies	1	1780.33(h)	Applicant			3
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
	Evidence of Users:						
	Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
RD 442-30	Water Purchase Contract	1	1780.62/ 1780.63	Applicant/ Attorney/ RUS			5
	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			3
Lender Agreement/ Bulletin 1780-10/ 1780-10a	Interim Financing Documentation	1	1780.39(d)	Applicant/ RUS			1

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad 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
	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
	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
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Operation and Maintenance Agreement	1	1780.39 (b)(4)	Applicant			5
	Evidence of "Other Funds"	1	1780.44(f)	Applicant			2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
RD 442-10	Appraisal Report	1	1780.44(g)	RUS			8
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	Certifications on VA and ERP	1		Applicant			5
	Bid Tabulation	1	1780.61(b)	Engineer			6
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
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

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	State Office Final Opinion	1	1780.45(g)	RUS			5

Bond Counsel

United States Department of Agriculture
Rural Development
West Virginia State Office

November 8, 2010

COPY

The Honorable Barbara L. Banister
Mayor, Town of Rowlesburg
P.O. Box 458
Rowlesburg, WV 26425

RE: Amendment No. 1 to the
Letter of Conditions

Dear Mayor Banister:

This letter, with Attachment No. 1 amends the letter of conditions dated January 11, 2010, for the Town of Rowlesburg Phase II Water System Improvement Project, and further establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The USDA Rural Development, Rural Utilities Service (RUS) grant will be administered by the RUS State and Area staff. 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 grant in the amount of $920,000, and other funding in the amount of $1,535,000, for a total project cost of $2,455,000. The other funding is planned in the form of a West Virginia Infrastructure & Jobs Development Council (WVIJDC) loan of $525,000, a WVIJDC grant of $525,000, and a grant from the United States Environmental Protection Agency (EPA) in the net amount of $485,000. The EPA grant has been added to the project since the original letter of conditions was issued. The main purpose of this amendment to the letter of conditions is to officially add the EPA grant to the RUS Project Budget, and also to modify the amount of WVIJDC loan and grant on the Project Construction Budget to conform with the Town's application for funding to that agency.

Subject to the requirements noted herein, all of the conditions of the January 11, 2010, letter of conditions remain in effect and must be satisfied prior to grant closing.

1550 Earl Core Road • Suite 101 • Morgantown, WV 26505
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/TDD: 304.284.4836 • Web: http://www.rurdev.usda.gov/wv

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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)

The conditions referred to above are as follows:

1. Public Service Commission Approval – You must obtain PSC approval of the project's proposed financing and user rates as may result from this amendment to the letter of conditions.
2. At a properly called meeting of the Town Council the following forms must be adopted and the "Letter of Intent to Meet Conditions" must be executed. The "Water or Waste System Grant Agreement" will be executed at grant closing. The Town will also be required to provide a copy of the minutes from this Council meeting that documents the adoption of these forms.

   Form RD 1942-46 "Letter of Intent to Meet Conditions"
   RUS Bulletin 1780-12 "Water or Waste System Grant Agreement"

If the conditions set forth in this letter are not met within six (6) months from the date hereof, RD 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 six-month period and it is determined the Public Service District 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, RD 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,

BOBBY LEWIS
State Director

Enclosures

cc: Area Specialist
Elkins, WV

Roth & White, PLLC
Attention: Nancy Roth, CPA
202 Tunnelton Street
Kingwood, WV 26537

Sheila K. Williams
Attorney at Law
Garden Towers, Suite 314
202 Tunnelton Street
Kingwood, WV 26537

WV Bureau for Public Health
Office of Environmental Health Services
Capacity Development Program
Attention: Robert W. DeCrease, P.E.
350 Capitol Street, Room 313
Charleston, WV 25301-3713

U.S. Environmental Protection Agency
Region 3
Attention: Bruce Smith
1650 Arch Street
Philadelphia, PA 19103

Thrasher Engineering, Inc.
Attention: Clay Riley, P.E.
P.O. box 1532
Clarksburg, WV 26301

Steptoe & Johnson, PLLC
Attention: Katy Mallory, P.E.
P. O. Box 1588
Charleston, WV 25326-1588

Preston County Economic
Development Authority
Attention: Roberta Baylor
330 East Main Street, Suite 100
Kingwood, WV 26537

West Virginia Infrastructure &
Jobs Development Council
180 Association Drive
Charleston, WV 25311

Attachment No.1 to Amendment No. 1 to the Letter of Conditions
For: Town of Rowlesburg Phase II Water System Improvement Project
Date: November 8, 2010

Project Construction Budget
Town of Rowlesburg
Phase II Water System Improvement Project

PROJECT COST	RUS GRANT	EPA SAP GRANT	WVIJDC LOAN	WVIJDC GRANT	TOTAL
CONSTRUCTION - Total = $2,029,580					
Contract 2 - (Waterline Replacement with Deducts)	$ 279,525	$ 485,000	$ 420,000	$ 371,705	$ 1,556,230
Contract 3 - (Water Tank)	$ 323,350	$ -	$ -	$ -	$ 323,350
Contract 4 - (WTP Building Extension)	$ 150,000	$ -	$ -	$ -	$ 150,000
CONSTRUCTION CONTINGENCY	$ 39,625	$ -	$ -	$ 67,195	$ 106,820
LAND & RIGHTS	$ -	$ -	$ 7,500	$ -	$ 7,500
LEGAL FEES	$ 10,000	$ -	$ -	$ -	$ 10,000
BOND COUNSEL	$ -	$ -	$ 15,000	$ -	$ 15,000
ACCOUNTING	$ 7,500	$ -	$ -	$ -	$ 7,500
ENGINEERING FEES - Total = $218,100					
Preliminary - 13,500	$ 13,500	$ -	$ -	$ -	$ 13,500
Basic - $67,300	$ 66,500	$ -	$ 800	$ -	$ 67,300
Inspection - $87,300	$ -	$ -	$ 13,700	$ 73,600	$ 87,300
Special - $50,000	$ -	$ -	$ 50,000	$ -	$ 50,000
ADMINISTRATION	$ -	$ -	$ 12,500	$ 12,500	$ 25,000
PERMITS & FEES	$ -	$ -	$ 5,000	$ -	$ 5,000
BANK REGISTRAR FEE	$ -	$ -	$ 500	$ -	$ 500
PROJECT CONTINGENCY	$ 30,000	$ -	$ -	$ -	$ 30,000
TOTAL	**$ 920,000**	**$ 485,000**	**$ 525,000**	**$ 525,000**	**$ 2,455,000**

USDA Rural Development

United States Department of Agriculture
Rural Development
Elkins Area Office

June 29, 2011

Town of Rowlesburg
Attention: Barbara Banister, Mayor
P.O. Box 458
Rowlesburg, WV 26425

COPY

Dear Mayor Banister:

This letter is to confirm that the grant closing meeting for the USDA Rural Development Rural Utilities Service (RUS) grant on the Town of Rowlesburg Phase II Water Project is scheduled for July 20, 2011, at 10:30 a.m. at the Preston County Economic Development Authority (EDA) Office in Kingwood, West Virginia. The EDA office is on the second floor of the Clear Mountain Bank building located at the intersection of Rt. 7 and Rt. 26. Their address is 330 East Main Street, Kingwood, WV. A pre-construction conference will be held at 11:00 a.m. following the RUS grant closing. The official grant closing date for the Town's RUS grant for this project will be July 20, 2011. The project attorney should attend the closing meeting, and the project accountant should be available for consultation if needed.

Reference is made to the RUS Letter of Conditions dated January 11, 2010, and Amendment No. 1 to the Letter of Conditions dated November 8, 2010. All of the requirements set forth in these Letters of Conditions must be met and the grant must be closed in accordance with RUS Instruction 1780. Many of the aforementioned items from the Letters of Conditions have already been addressed. Those items remaining to be satisfied prior to grant closing include:

1. RUS Bulletin 1780-12, "Water or Waste System Grant Agreement" must be properly signed and dated.

2. The Town's attorney will need to provide Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way", showing no exceptions. A list of the Rights-of-Way needed for the project should be attached with an indication of which ones have been obtained and recorded. This form should be dated July 20, 2011.

Randolph Center Building • 1200 Harrison Avenue, Suite 150 • Elkins, West Virginia 26241
Phone: (304) 636-2158 • Fax: (304) 636-5902 • TDD: (304) 284-4836 • Web: http://www.rurdev.usda.gov/wv

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3. The Town's attorney must furnish Form RD 1927-10, "Final Title Opinion", on all land(s) being acquired. In addition, the attorney must provide a separate final title opinion(s) covering all existing property owned by the Town. The opinion(s) should be dated July 20, 2011, and they should include attached legal descriptions (and plats if they are available).

4. In accordance with Item 8(c) of the Letter of Conditions, the Town's attorney must furnish a narrative opinion addressing all permits, certifications, and other items necessary to show that all legal requirements can be met and stating how they will be met. The narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled. If the Town was unable to obtain the necessary property rights for any tract or right-of-way, a "right of entry" must be obtained for all properties before the closing.

5. In accordance with the Legal Services Agreement, the project attorney should be on hand during the pre-construction conference to review construction contracts, and contracting procedure, as well as surety and contractual bonds in connection with the project. The project attorney will be responsible for filing the payment bond (and the performance bond if the attorney deems it is necessary to do so).

6. As soon as possible, but no later than the date of the closing meeting, the Town must provide written evidence that all required insurance coverage and fidelity bond coverage has been obtained in accordance with Item 11 of the original Letter of Conditions.

7. The permit from the West Virginia Department of Highways must be on hand at the closing.

8. All applicable Public Service Commission (PSC) certificates and/or approvals must be obtained prior to closing, and a copy provided to RUS. We have a copy of the order that became final on June 20, 2011. If any other PSC approvals are required, please provide a copy to this office.

9. In accordance with Item 7(b) of the Letter of Conditions, the project accountant must provide a written certification to RUS no later than the grant closing meeting, indicating that the accounts and records required by the Town's prior water system bond ordinances are established and operational.

10. The Town must provide RUS with a current copy of their Workers' Compensation Certificate or other proof of good standing with the current Worker's Compensation system. (if applicable).

11. The Contractors involved in the construction of the project will need to complete Form AD 1048, "Certification Regarding Debarment – Lower Tier Covered Transactions".

12. The first requisition for Rural Development funds should be created and submitted for Rural Development review as soon as possible. Once Rural Development has given preliminary approval of the requisition, the Town Council will be asked to approve the requisition at the Town Council meeting on July 11, 2011.

13. The duly authorized Mayor of Rowlesburg should attend the closing meeting to execute the RUS Grant Agreement and should attend the pre-construction conference to sign contracts. Also, please be sure to bring the official seal that the Town uses for authenticating documents to the RUS grant closing meeting.

14. Nancy Taylor, the Rural Development Technician in our office, is planning to complete a civil rights compliance review with the Town at the closing. This will require an informal interview with someone familiar with the water system to help complete the review.

A revised Project Budget is attached for your information. Thank you for doing business with USDA Rural Development. If you have any questions, please contact our office at your earliest convenience.

Sincerely,

Joseph D. Crickenberger
Rural Development Specialist

Attachment: Revised Project Budget

cc: State Director
USDA- Rural Development

Thrasher Engineering, Inc.
Attention: Clay Riley, P.E.
P.O. Box 1532
Clarksburg, WV 26301

Sheila Kae Williams, Attorney at Law
202 Tunnelton Street
Garden Towers, Suite 314
Kingwood, WV 26537

Roth & White, A.C.
Attention: Nancy E. Roth, CPA
202 Tunnelton Street
Kingwood, WV 26537

Preston County EDA
Attention: Robbie Baylor
303 East Main Street, Suite 100
Kingwood, WV 26537

U.S. Environmental Protection Agency
Region 3
Attention: Bruce Smith
1650 Arch Street
Philadelphia, PA 19103

West Virginia Infrastructure & Jobs Development Council
180 Association Drive
Charleston, WV 25311

Steptoe & Johnson, PLLC
Attention: Katy Mallory, P.E.
P.O. Box 1588
Charleston, WV 25326-1588

WV Bureau for Public Health
Office of Environmental Health Srvcs.
Capacity Development Program
Attention: Robert W. DeCrease, P.E.
350 Capitol Street, Room, 313
Charleston, WV 25301-3713

Jackson Kelley, PLLC
Attention: Samme L. Gee
500 Lee Street East, Suite 1600
Charleston, WV 25301-3202

June 28, 2011

Project Construction Budget
Town of Rowlesburg
Phase II Water System Improvement Project

PROJECT COST	RUS GRANT	EPA SAP GRANT	WVIJDC LOAN	WVIJDC GRANT	TOTAL
CONSTRUCTION - Total = $1,960,422.05					
Contract 2 - (J.F. Allen - Minus Deduct. Alt. #1)	$ 278,725.00	$ 485,000.00	$ 322,200.00	$ 324,760.05	$ 1,410,685.05
Contract 3 - (Mid-Atlantic)	$ 323,350.00	$ -	$ -	$ 58,400.00	$ 381,750.00
Contract 4 - (Veritas)	$ 150,000.00	$ -	$ -	$ 17,987.00	$ 167,987.00
CONSTRUCTION CONTINGENCY	$ 39,625.00	$ -	$ -	$ 123,852.95	$ 163,477.95
LAND & RIGHTS	$ -	$ -	$ 7,500.00	$ -	$ 7,500.00
LEGAL FEES	$ 10,000.00	$ -	$ -	$ -	$ 10,000.00
BOND COUNSEL	$ -	$ -	$ 15,000.00	$ -	$ 15,000.00
ACCOUNTING	$ 7,500.00	$ -	$ -	$ -	$ 7,500.00
ENGINEERING FEES - Total = $218,100					
Preliminary - 13,500	$ 13,500.00	$ -	$ -	$ -	$ 13,500.00
Basic - $67,300	$ 67,300.00	$ -	$ -	$ -	$ 67,300.00
Inspection - $87,300	$ -	$ -	$ 87,300.00	$ -	$ 87,300.00
Special - $50,000	$ -	$ -	$ 50,000.00	$ -	$ 50,000.00
ADMINISTRATION	$ -	$ -	$ 37,500.00	$ -	$ 37,500.00
PERMITS & FEES	$ -	$ -	$ 5,000.00	$ -	$ 5,000.00
BANK REGISTRAR FEE	$ -	$ -	$ 500.00	$ -	$ 500.00
PROJECT CONTINGENCY	$ 30,000.00	$ -	$ -	$ -	$ 30,000.00
TOTAL	$ 920,000.00	$ 485,000.00	$ 525,000.00	$ 525,000.00	$ 2,455,000.00

Approved OMB.No. 0572-0121
RUS Bulletin 1780-12

WATER OR WASTE SYSTEM GRANT AGREEMENT
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

THIS AGREEMENT dated July 20, 2011 between

Town of Rowlesburg

a public corporation organized and operating under

Chapter 8, Article 19, West Virginia Code
(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under jurisdiction at an estimated cost of **$2,455,000** and has duly authorized the undertaking of such project.

Grantee is able to finance not more than **$1,535,000** of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of **$1,535,000** has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed **$920,000** or **37.47%** percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to

Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed **37.47%** percent of the development costs, as defined by applicable Rural Utilities Service Instructions. GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

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 0575-0121. The time required to complete this information collection 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.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated _____, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return. ***[Revision 1, 04/17/1998]***

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

All real property owned by the Town of Rowlesburg and used in connection with their potable water system.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.
[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the property for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than $5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of $5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment(use continuation sheets as necessary).

None

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland ``Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of $100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term ``facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed **920,000.00** which it will advance to Grantee to meet not to exceed **37.47%** percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Acting Mayor

and attested and its corporate seal affixed by its duly authorized

Acting Recorder

Attest:

By: Bruce R. Simon

(Title) acting Recorder

By: Kimberly O. Felton

(Title) Acting Mayor

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: Rural Development Specialist
(Title)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

SEP 23 2010

The Honorable Barbara Banister, Mayor
P.O. Box 97
Rowlesburg, West Virginia 26425

Re: FY 2010 EPA Special Appropriations Act Grant
Town of Rowlesburg, WV

Dear Mayor Banister:

As required by other funding agencies involved in your drinking water improvements project, this is to notify the Town of Rowlesburg about the availability of Federal grant funds for the Town's Fiscal Year 2010 (FY 2010) drinking water project.

The Department of Interior, Environment, and Related Agencies Appropriations Act, 2010 (P.L. 111-88) earmarked $485,000 for a drinking water infrastructure improvements project as part of the budget for the Environmental Protection Agency.

If you have any questions, please contact me at (215) 814-5770.

Sincerely,

Bruce Smith

Bruce Smith, EPA Project Officer
Office of Infrastructure and Assistance

cc: Christopher Thomas, WV BPH

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Customer Service Hotline: 1-800-438-2474

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

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

Date: **July 22, 2011**

Re: **Town of Rowlesburg, Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund)**

---

1. DISBURSEMENTS TO TOWN OF ROWLESBURG

Payor:	West Virginia Infrastructure and Jobs Development Council
Source:	Series 2011 A Bonds Proceeds
Amount:	$66,175.00
Form:	Wire
Payee:	Town of Rowlesburg, P.O. Box 458, Rowlesburg, WV 26425
ABA No:	051502559
Account No:	10002360
Bank:	Clear Mountain Bank,160 Morgantown St., Bruceton Mills, WV 26525
Contact:	Rachel 304.379.2265
Account:	Series 2011 A Bonds Construction Trust Fund

780880.00004

West Virginia • Ohio • Kentucky • Pennsylvania

TERRALEX

Draw Number 1

2009W-1085
RESOLUTION OF THE TOWN OF ROWLESBURG
APPROVING INVOICES RELATING TO SERVICES FOR THE
WATER SYSTEM IMPROVEMENT PROJECT
AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Town of Rowlesburg, has reviewed the invoices attached hereto and incorporated herein by reference relation to the Project funded by the WV Infrastructure & Jobs Development Council (IJDC); U.S. Environmental Protection Agency (USEPA); and 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 Town of Rowlesburg by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	IJDC Loan	IJDC Grant	USDA Grant	USEPA Grant
Steptoe & Johnson (Bond Counsel)	15,000.00	15,000.00	0.00	0.00	0.00
Huntington Bank (Registrar)	500.00	500.00	0.00	0.00	0.00
Thrasher Engineering, Inc.	118,015.00	50,675.00	0.00	67,340.00	0.00
Roth & White	4,295.00	0.00	0.00	4,295.00	0.00
Sheila Kae Williams	8,000.00	0.00	0.00	8,000.00	0.00
Administration	0.00	0.00	0.00	0.00	0.00
Total	145,810.00	66,175.00	0.00	79,635.00	0.00

ADOPTED BY the Town of Rowlesburg, at the meeting held on the 11th day of July, 2011.

Town of Rowlesburg

By: Kimberly Letton - Acting Mayor

Its: _____

780880.00004

5766673

SWEEP RESOLUTION

WHEREAS, the Town of Rowlesburg (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer form the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) Mayor and Recorder are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 11th day of July, 2011.

Kimberly Fellers

Mayor acting

Bruce R. Simon

Recorder

acting

United States Department of Agriculture
Rural Development
West Virginia State Office

July 22, 2011

Town of Rowlesburg
Water Revenue Bonds, Series 2011 A
(West Virginia Infrastructure Fund)

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 Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), in the original aggregate principal amount not to exceed $525,000 (the "Series 2011 A Bonds"), by the Town of Rowlesburg (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 Water Revenue Bonds, Series 2006 A, dated October 13, 2006, issued in the original aggregate principal amount of $385,000 (the "Series 2006 A Bonds" or the "Prior Bonds"); (b) waives any requirements imposed by the Prior Bonds or the ordinance authorizing the Prior Bonds (the "Prior Ordinance"), regarding the issuance of parity bonds which are not met by the Bonds or the Ordinance; and (c) consents to any amendments made to the Prior Ordinances by the Ordinance.

WITNESSETH my signature on this 22nd day of July, 2011.

State Director

1550 Earl Core Road, Suite 101, Morgantown, WV 26505
304.284.4860 • 1.800.295.8228 • 304.284-4893 • TTY/TDD 304.284.4836 • Web: http://www.rurdev.usda.gov

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

TOWN OF ROWLESBURG
Water Revenue Bonds, Series 2006 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 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 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 Construction Account
Section 4.04	Covenants of the Issuer as to Revenues and Funds
Section 4.05	Interim Construction Financing

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	Effective Time
Section 7.09	Statutory Notice and Public Hearing
	SIGNATURES
	CERTIFICATION

TOWN OF ROWLESBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF ROWLESBURG, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN $385,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER 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.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF ROWLESBURG:

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 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Rowlesburg (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Preston 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 waterworks system and desires to acquire, construct and operate certain additional public waterworks facilities consisting of additions, betterments and improvements to such existing waterworks facilities, with all appurtenant facilities.

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 waterworks system of the Issuer, consisting of construction of a water treatment plant and upgrade of raw water pumping system (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 Recorder of the Issuer. The existing waterworks 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 $4,126,640, of which $385,000 will be obtained from the proceeds of sale of the Bonds herein authorized, $2,241,640 will be obtained from a grant from the Purchaser, and $1,500,000 will be obtained from a Small Cities Block Grant.

E. It is necessary for the Issuer to issue its Water Revenue Bonds Series 2006 A (United States Department of Agriculture), in the aggregate principal amount of $385,000 (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 acquisition 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 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 2006 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

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

G. There are no outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Series 2006 A Bonds as to liens, pledge and source of and security for payment.

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 August 19, 2002, and any amendments, thereto (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 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 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 8, Article 19 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 the Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"Closing Date" means the date upon which there is an exchange of the Series 2006 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2006 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 Thrasher Engineering, Inc., Clarksburg, 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 First Community Bank, Rowlesburg, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "waterworks 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 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 Town of Rowlesburg, a municipal corporation and political subdivision of the State of West Virginia, in Preston County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated August 19, 2002, 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 2006 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 2006 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.

"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 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 Series 2006 A Bonds.

"Reserve Funds" means, the respective reserve funds for the 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.

"State" means the State of West Virginia.

"System" means the complete waterworks system of the Issuer and all waterworks 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 waterworks systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the Waterworks 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 $4,126,640, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2006 A Bonds hereby authorized shall be applied as provided in Article 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 "Water Revenue Bonds, Series 2006 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount of $385,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

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 the rate of 4.5% 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 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 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, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2006 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 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 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 had not ceased to hold such office. The Series 2006 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such 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 Bonds 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 Gross Revenues. The payment of the debt service of the Series 2006 A Bonds shall be secured forthwith by a first lien on the Gross Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2006 A Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2006 A 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 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)

TOWN OF ROWLESBURG

WATER REVENUE BONDS, SERIES 2006 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$_____

No. AR-1 Date: _____, 2006

FOR VALUE RECEIVED, the TOWN OF ROWLESBURG (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 waterworks 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 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on _____, 2006, 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.

IN WITNESS WHEREOF, the TOWN OF ROWLESBURG 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.

TOWN OF ROWLESBURG

[CORPORATE SEAL]

_____
Mayor
P.O. Box 458
Rowlesburg, West Virginia 26425

ATTEST:

_____
Recorder

(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 created 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;

(2) Renewal and Replacement Fund; and

(3) Project Construction Account.

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

(1) Series 2006 A 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 Project Construction 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 Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the 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 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 Gross Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the 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 Project Construction 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 2006 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2006 A Bonds Reserve Account, sums 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, beginning on the 12th monthly anniversary of the Closing Date, transfer from the Revenue Fund and 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.

(2) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2006 A Bonds Reserve Account, an amount equal to 10% of your monthly payment each month, 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. Monies in the Series 2006 A Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2006 A Bonds to the National Finance Office as the same shall become due

or for prepayment of installments on the Series 2006 A Bonds, or for mandatory prepayment of the Series 2006 A Bonds as hereinafter provided, and for no other purpose; provided, however, earnings from monies in the Series 2006 A Bond Reserve Account, so long as the Series 2006 A Bonds Reserve Requirement 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.

(3) The Issuer shall next each month pay from the monies in the Revenue Fund all current Operating Expenses of the System.

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

(5) 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.

Whenever the monies 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.

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 2006 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, the Series 2006 A Bonds Reserve Account 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 2006 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.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2006 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 Investment Management. 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 2006 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 2006 A Bonds, provide evidence that there will be at least 285 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 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.

Section 4.05. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of proceeds of the grants and 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 $385,000 (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 a credit agreement with such 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 or the Grants. 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 Series 2006 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the 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. 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 maximum annual debt service on the Series 2006 A Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2006 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds Outstanding;

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

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

No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued after the issuance of the Series 2006 A Bonds pursuant hereto, except with the prior written consent of the Purchaser.

The foregoing limitation may be waived or modified by the written consent of the Holder of the Series 2006 A Bonds.

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 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 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 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, 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, 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 and shall be for the equal benefit 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; or

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 2006 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law.

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, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 5.09. Fiscal Year; Budget. While the 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 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 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 adoption hereof, subject to permitted changes.

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 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 November 5, 2001, 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, 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.

G. 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.

H. 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.

I. 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.

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 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 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 2006 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 2006 A Bonds, the Issuer may not defease the Series 2006 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 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 Series 2006 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 seeperable 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 2006 A Bonds.

Section 7.05. Conflicting Provisions Repealed. 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. 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 two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in the *Preston County Journal,* being qualified newspapers of general circulation in the Town of Rowlesburg, 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.

Passed on First Reading:	August 28, 2006
Passed on Second Reading:	September 11, 2006
Passed on Final Reading Following Public Hearing:	September 25, 2006

Barbara Bonister
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Rowlesburg on the 25th day of September, 2006, which Ordinance has not been repealed, rescinded, modified, amended or revoked, as witness my hand and the seal of the Town of Rowlesburg on this 13th day of October, 2006.

[SEAL]

Kimberly D. Felton
Recorder

09.19.06
780880.00002

SPECIMEN

TOWN OF ROWLESBURG

WATER REVENUE BONDS, SERIES 2006 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$385,000

No. AR-1

Date: October 13, 2006

FOR VALUE RECEIVED, the TOWN OF ROWLESBURG (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 THREE HUNDRED EIGHTY FIVE THOUSAND DOLLARS ($385,000), 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 this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and $1,737.00, 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 waterworks 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 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on September 25, 2006, 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.

IN WITNESS WHEREOF, the TOWN OF ROWLESBURG 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.

TOWN OF ROWLESBURG

[CORPORATE SEAL]

SPECIMEN

Mayor
P.O. Box 458
Rowlesburg, West Virginia 26425

ATTEST:

SPECIMEN

Recorder

(Form of)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$110,100	10.13.06	(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:

_____